The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Morgan and Company's Interest in Japanese "Hands-Off" Policy

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(By the Review's Hankow Correspondent)

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SATURDAY, JUNE 30, 1934 VOLUME 69, NUMBER 5

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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THE DANGEROUS ELEMENT IN THE NORTH CHINA DEAL

AFTER the Imperial Japanese Kwantung Army had completed its occupation of China's northeastern provinces in 1931 and 1932 the General Staff in Tokyo gave the order for a further drive into north China. Chinese forces tried to block this drive but after suffering heavy casualties were forced to drop back on Tientsin and Peiping. The Japanese followed up their advantage and had reached the environs of Peiping and Tientsin when China capitulated and agreed to sign a truce. The truce was signed on a Japanese ship at Tangku on May 31, 1933. According to the terms of this truce which were made public at the time, China agreed to withdraw her forces from the extensive area lying just south of the Great Wall and in addition agreed to convert this area into a sort of "neutral zone" which, while policed by Chinese gendarmes was not to be entered by Chinese troops. Following the carrying out of these terms, the Japanese agreed to withdraw their forces back to the region of the Great Wall. But the Japanese reserved the right to inspect the neutral or demilitarized zone at any time in order to assure themselves that China was carrying out the terms.

So far as the public was informed at the time this constituted the full extent of the Tangku truce, but since that time there have been further disturbing developments. According to the Japanese military authorities, the Chinese authorities in the north, chiefly General Huang Fu, also agreed to a number of other conditions which were kept secret from the Chinese people. All of these conditions have not, even yet been published, but China undoubtedly also agreed to restore postal and rail communications with the Japanese-controlled puppet state of Manchukuo. In addition there are rumors that certain officials in the North also agreed to a number of other things, including nominal recognition of Manchukuo, refunding of the so-called Nishihara loans and even, although difficult to believe, certain officials allegedly gave nominal consent to Japan's so-called "hands-off" declaration, which, if consummated

would convert this country into a Japanese protectorate.

Whether all these things were attached to the Tangku truce, the public has no way of determining, but sufficient is known to realize that the situation in north China is drifting dangerously from the standpoint of China's national welfare. Under the announced terms providing for a resumption of railway traffic between north China and Manchukuo, the Japanese have been granted the right to run the trains of their government-controlled and military-operated South Manchuria Railway directly into Tientsin and Peiping. The S. M. R., popularly known as the Japanese "spearhead" into Manchuria only operated some 650 miles of railway prior to the Mukden incident in the fall of 1931. Through the conquest of Manchuria the Japanese line gobbled up the railways which the Chinese had constructed, thus swelling its trackage to more than 2,000 miles. Now through the recent agreement the S. M. R. adds the entire Peiping-Mukden line and worse, it is commonly rumored in Peiping that not many months will elapse before the S. M. R. will control all railways north of the Yellow River, including the Peiping-Suiyuan line into Mongolia. With Japanese garrisons stretching all the way from Peiping to Shanhaikwan and the S. M. R. operating trains directly into Peiping and Tientsin, it means that all of north China has been converted into a second Manchuria. And while this is going on the Japanese are openly intriguing for a revival of the old Anfu clique of militarists and politicians which almost sold China to Japan during the latter years of the World War. The *China Times* and other Chinese newspapers have called attention to these elements in recent days, hence we are only repeating what they have stated and what all patriotic Chinese must realize despite the secrecy and intrigue which accompanied the negotiations culminating in the "north China deal."

EXCLUDING CHINA QUESTIONS FROM ARMS LIMITATION ISSUE

IT is difficult at this distance to determine just what is going on in connection with the triangular arms limitation discussions now proceeding between America, Britain and Japan, with France, Italy and Germany standing on the sidelines. Based on the reports from London, Washington and Tokyo, neither America or Britain will agree to Japan's demand for naval parity. It was even suggested in a *Reuter* dispatch from London on June 26 that Britain is none too happy over the American decision to build its fleet up to the present status of Britain. Then the *United Press* came along in a Washington dispatch on June 24 suggesting that in view of the apparent impossibility of reaching an agreement, about everybody had decided it might be better to postpone the conference scheduled for 1935. But while America and Britain may desire to postpone, the Japanese are not happy over this suggestion for that would mean an indefinite continuance of the present building competition which is certain to force Japan into financial bankruptcy and political chaos. The Japanese want parity with the United States and Britain, but they mean parity *downward* rather than parity *upward*. In other words, Japan would like to see the United States and Britain scrap their big cruisers and particularly airplane carriers and thus reduce their fleets to the present strength of Japan. This would leave Japan completely secure to do as she liked in the Far East.

These squabbles over arms limitation are of little direct interest to China because China has no fleet to scrap. But China must be vitally interested in Japan's present attempt to eliminate all Far Eastern political questions from the forthcoming conference. According to the *Osaka Mainichi* the Japanese Government has sent instructions to Ambassador Matsudaira in London to the following effect:

> 1.—Japan will not concede to discussion in the naval negotiations of the Nine Power Treaty concerning China, the question of Manchuria, and Japan's mandates.
>
> 2.—Japan has no intention voluntarily to bring up the question of the Pacific fortification limitation, as provided in Article 19 of the Washington naval treaty. However, if, as tentatively suggested by the American naval authorities, the United States intends to change the provision of Clause 1 in the article regarding the fortification of the Aleutian islands, Japan will not hesitate to propose a corresponding change in Clause 3.
>
> 3.—The main purpose of the negotiations is readjustment of national defense and armament; in order, however, to facilitate the foregoing purpose, Japan believes that there should be a serious political attempt to guarantee international peace and security through strengthening the anti-war treaty.
>
> Japan in addition will welcome negotiations on new treaties concerning peace and security of insular possessions and insular dominions in the Pacific Ocean, as provided in the Four Power Treaty concluded in the Washington conference.

That Japan has sent such instructions to her delegates in London will cause no surprise in the Far East for such accords with the policy which the Tokyo military clique has been following since 1931. But there is surprise in the reports from London which have appeared in the Japanese newspapers alleging that Premier Ramsay MacDonald of Great Britain has agreed to the Japanese demand. However, there seems to be some question about the accuracy of the report because the *Osaka Asahi* stated on June 21 that both America and Britain had strongly opposed the Japanese suggestion that Far Eastern political issues should be eliminated. This report apparently was confirmed, so far as the United States was concerned, by a *Reuter* message from Washington on June stating that Senator Key Pittman, chairman of the Senate Foreign Relations Committee, had told Hiroshi Saito, Japanese Ambassador in Washington, that the United States could not consent to the signing of a non-aggression pact with Japan "so long as there was any question with regard to Japan's carrying out her existing agreements." In other words the United States Government has refused to condone

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a felony by accepting Japan's present treaty violation as an accomplished fact and then proceeding toward the negotiation of new treaties.

This appears to be the crux of the whole issue and as the weeks and months pass drawing nearer to the end of 1934, Japan's worries are increasing in geometrical proportions. The reason for this is that Japanese must serve notice before the end of the present year as to their intentions with respect to the 1935 naval conference. Japan has declared all along that she wants parity and will not consent to a continuance of the 5:5:3 status agreed upon at the Washington Arms Conference in 1921-1922. And to make matters worse for Japan, her militarists, since the beginning of the Manchurian affair, have scrapped all of the political treaties which constituted the foundation for the naval agreement. It was Japan's action in scrapping the Nine-Power Treaty which precipitated the naval race and caused the United States to take steps to build its fleet up to the full limits set by the Treaty. All through the Harding, Coolidge and Hoover administrations the United States fleet was allowed to deteriorate. But now the Americans are awake to the dangers involved in the Japanese menace and are taking no further chances on Tokyo duplicy. They have not only sanctioned the immediate construction of the fleet up to parity, but also are keeping almost the entire fleet in the Pacific for a considerable portion of the time. The reasons for this are simple and may be explained briefly: The Americans no longer trust Japan.

In view of this situation the Japanese are reacting in a perfectly understandable manner. Realizing that neither America or Britain will consent to Japan's demand for naval parity, the Japanese are now trying to compromise. They might be willing to accept a somewhat smaller ratio in warship tonnage—if America and Britain would agree to overlook Japan's crimes in the Far East since 1931. In other words, Japan might agree to again become a respectible law-abiding member of the international community, if the world would overlook her past misdeeds and permit her to hold her illgotten gains. It's somewhat like an embezzling bank-clerk trying to induce the bank's directors to permit him to keep the money he had stolen in exchange for the clerk's promise to be good in future. When considered on this plane the whole armament squabble becomes a glaring farce. But from China's standpoint it is a much more serious matter because China has been the victim of Japan's misdeeds. Should the Powers, by some stretch of the imagination, agree to Japan's latest suggestions for the exclusion of Far Eastern questions from the armament discussions, it would amount not only to a legalization of Japan's crimes, but also would compel China the innocent victim to pay for them. It is obviously impossible to separate Far Eastern political questions from the armament issue for any peace with Japan based on the Japanese proposals would be a shortlived one indeed. But regardless of the ridiculousness of Japan's latest proposals, the Tokyo government apparently is pressing them nevertheless. And while this is going on in London, the same Japanese military clique is using every possible method from military threats and ultimatums to bribery and intrigue of the lowest order to control the Chinese situation in order that the Chinese people may not be able to raise objections and demand a re-hearing of their case at the next naval conference.

SHANGHAI'S "OPEN AIR" HOUSES OF PROSTITUTION

THERE used to be a time when foreign tourists landing at Shanghai were taken out to the ancient Lunghwa pagoda and the Willow Pattern tea house in the native city. Then later on, following the undeclared war occasioned by the Japanese invasion of Shanghai early in 1932, the tourists were taken to see the devastated sections of Chapei. But now, both of these objects of tourist curiosity have been relegated to the background because of the development of another phase of Chinese life which possesses a far greater human interest appeal. We refer to the "open air" houses of prostitution which occupy a considerable portion of the public sidewalks and streets along Avenue Edward VII between Chekiang and Tibet Roads. On Sunday evening of this week the writer of this paragraph counted some 60 Chinese girls ranging in age from 10 or 12 to 18 year who were lined up along the sidewalk on Avenue Edward VII in one block. All were busily engaged in soliciting customers for dens of the most squalid and revolting character located in the dark and narrow streets and alleyways of this section of the city. While most of the solicitation was directed at Chinese, two British soldiers and an American marine who were observed walking along the street, were the objects of special attention. Since two or three blocks are now given over to this occupation, to such an extent that the entire street often is blocked by the crowds, the total number of young girl prostitutes probably must run into the hundreds. Aside from the traffic policemen at the street crossings at Chekiang and Tibet roads, not a single guardian of peace and order was in evidence, hence the prostitutes and their male and female assistants had things their own way. This recent development in this section of the city is but a public manifestation of the worst possible form of white slavery which exists in this city, despite investigations and numerous resolutions passed by the League of Nations. It also exists in spite of the presence in this city of numberous women's clubs and civic organizations, the members of which must be aware of the situation. And since these lines are likely to be read by subscribers residing abroad, we also make haste to explain that the public streets whereon these "open air" houses of prostitution are operated, are not located in the Chinese administered sections of Shanghai, or in the local French Concession, but in the so-called International Settlement which is admin-

istered by a Municipal Council presided over by a British subject and which is controlled by an international Consular Body which is headed by an American official. The local Municipal Advocate, who should be interested in this open violation of the Settlement's regulations, also happens to be an American citizen. As a matter of fact the responsibility for these rotten conditions seems to be about equally shared by the British and Americans who control the administration of the Settlement. But we do not, in this connection, wish to infer that the local Concession administered by the French or the Municipality of Greater Shanghai administered by the Chinese have abolished public prostitution. The French Concession is literally filled with such houses, occupied by both Chinese and foreign women, some being located in the residence district in close proximity to the churches and public schools, but the French and Chinese authorities must be given credit for confining the business indoors. It is only in the International Settlement that the public streets and sidewalks are used for the purpose.

RUSSIANS SUSPECT PLOT IN KURAMOTO INCIDENT

THE Soviet official newspaper *Izvestia* in an extended analysis of the recent incident in Nanking involving the disappearance of the Japanese Vice-consul Kuramoto, declared that the affair served Japanese purposes despite the embarassing outcome. According to a *Tass* message from Moscow on June 23 the official Moscow organ was quoted to the following effect:

> "Kuramoto did not succeed in putting an end to his life, but succeeded in putting an end to the irresoluteness of the Nanking government concerning the resumption of through railway communication between China and Manchuria, as seen from the already published details of the agreement reached on this subject.
>
> "The solution of this problem is of tremendous significance to Japan because it facilitates further growth of Japanese dumping in China through Manchuria. Besides, it serves as a certain step forward in the direction of recognition by China in one way or aonther, of the final loss of Manchuria.
>
> "The agreement on the question of communications between China and Manchuria, continued the newspaper, "is by no means the only claim of Japan. The press of the Far East reports that the total number of the various Japanese demands reaches 1,500. These include the question of recognition of the notorious Nishihara Loans through which Japan tried to enslave China in the last years of the World, War, the demands of new concessions in North China, the reduction of Customs duties on Japanese goods, etc.
>
> "It is apparent, more than ever, that after the occupation of Manchuria Japanese imperialism is extending its domination to a bigger or smaller extent to Inner Mongolia and North China, aiming at the ultimate transformation of the whole of China into a Japanese dependency."

The Chinese also have reached a somewhat similar conclusion, that Kuramoto's disappearance cannot be explained on the basis of his contemplated suicide or alleged mental derangement, but that it was a plot framed by the Tokyo General Staff for the purpose of forcing through the rail and postal transportation issues in north China and other outstanding Sino-Japanese issues. The foregoing conclusions appeared in an extended analysis of the Kuramoto incident which was written by Chen Ju-hsuan, a member of the Legislative Yuan and published in the *China Times* on June 21. In the introduction to his article, Mr. Chen recalled the fact that the Japanese military authorities used the murder of the Japanese military spy Nakamura on the Mongolian border early in 1931 as an excuse for the occupation of China's northeastern provinces, hence the Tokyo military authorities also were planning to use the Kuramoto disappearance for further aggression, including the occupation of strategic points at Nanking and elsewhere along the Yangtsze, plus a further drive into north China and also, possibly the occupation of the coast of Fukien province. But why did Kuramoto fail to carry out his share of the plot? Mr. Chen answered this question by explaining that Kuramoto had lived in China for many years, had long associated with the Chinese people and probably had come to accept the Chinese point of view rather than the Japanese. While he may have originally decided, or possibly had been instructed by his higher-ups to disappear, thus placing the blame on the Chinese, it is possible that he may have been inspired by sentiments of humanity and righteousness. Thus while his failure to carry out the scheme was highly embarassing to the Japanese military, his return to life has greatly enhanced the moral heights of the Japanese people, "hence his decision to live may be of great importance in Sino-Japanese relations in the future."

In the meantime Kuramoto, the hero of the bizarre incident, has returned under guard to his native home in Japan and according to a *United Press* report on June 24 he is shortly returning to Tokyo where he will be assigned a new post in the Foreign Office, thus apparently indicating that the Japanese do not intend to drop him from the service or punish him. Copies of the leading Japanese newspapers containing reports of the Kuramoto disappearance indicate quite clearly that the Japanese military authorities as well as the reactionary groups had the stage all set for major activities in China. The *Japan Times* published a report telling of calls at the Foreign Office of representatives of reactionary organizations who demanded drastic action and the *Japan Chronicle* on June 14 translated a report from the *Asahi* which stated that the Foreign, War and Navy offices had reached an agreement on the action they intended to take. That everybody in Tokyo was taking a "serious view" of the affair and were intending to use it for ulterior purposes was indicated by the *Asahi's* publication of a list of additional incidents which have allegedly occurred in the relations of China and Japan since January 1 of this year. The object in publishing this list was to convince the Japanese people that there still exists considerable anti-Japanism in China which the military authorities undoubtedly in-

tended to eradicate by taking drastic action. The list was as follows:

1.—On January 7th, the Electric Material Traders' Guild at Shanghai memorialised the Nanking Government urging the eviction of Japanese goods.

2.—On January 9th, 24 members of an anti-Japanese society in Nanking, with the understanding of the Public Peace Bureau, besieged shops, confiscated over 8,000 pieces of sundry goods and stationery, regarded as of Japanese make and burned them.

3.—On January 29th, Mr. Wang Ching-wei, in the course of his speech at a meeting of the Central Political Committee, declared that Japan would be defeated in a war with Russia or a certain other country, which was expected to occur in the near future.

4.—On January 25th, the Home Goods Manufacturers' Association at Shanghai petitioned the Government for the immediate enforcement of the regulations providing for the description of places of origin and for the control of Japanese electric bulbs which it descibed as smuggled articles.

5.—In the latter part of February, there was considerable increase in the number of book shops and book stalls in Nanking where magazines and pictures aiming at the inculcation of anti-Japanese ideas were on sale.

6.—On May 10th, over 50 representatives of the students of about twenty universities and colleges at Peiping met to discuss way and means of promoting resistance to Japan.

7.—On May 22nd, the Kinkai Yusen Kaisha steamer Keizan-maru was fired at near Tangku, one shot hitting the vessel.

Besides the above, there have been numerous cases of lesser importance.

Mr. Ting, the Councellor of the Chinese Legation in Tokyo, visited the Foreign Office on Tuesday afternoon and seeing Mr. Morishima, Chief of the First Section of the Asia Bureau, communicated all the information which the Chinese Legation had received in regard to the Kuramoto case.

In reply, Mr. Morishima explained the attitude of the Foreign Office towards the affair, informing the Chinese official that the Japanese Government will take such action as it may deem necessary, when the facts of the case have been made known.

In addition to the foregoing the Japanese newspapers were filled with inspired reports from military circles which stressed the "seriousness" of Kuramoto's disappearance from the standpoint that the incident had occurred in the Chinese capital city. This inspired the *Japan Chronicle*, independent British newspaper at Kobe to inquire why the Japanese were so exercised over the disappearance of a minor consular official in the Chinese capital when Japanese premiers aren't always safe in Tokyo, the capital of Japan. After an extended discussion of the Japanese Government's use of so-called incidents for grabbing Chinese territory, the editor of the *Chronicle* recalled the threat of General Sadao Araki, former Japanese War Minister that Japan intended to destroy the Chinese Kuomintang Party. When regarded in the light of Japan's preparations for military action at Nanking over the Kuramoto incident, the Araki threat to destroy the Kuomintank took on fresh significance due to the belief in Nanking that the Japanese navy intended to seize the Kuomintang central party headquarters and other important governmental buildings and hold them pending China's compliance with the Japanese demands, which included about everything from the extension of the Boxer Protocol of 1900 to Nanking, thus enabling Japan to station troops in Nanking permanently, to the recognition of the Nishihara loans, settlement of all outstanding claims and finally a reduction of the Chinese tariff on all Japanese goods.

Morgan & Company and the Japanese "Hands-Off" Doctrine

THE Japanese newspapers on June 19 published reports from their correspondents in New York, which, if based on fact shed considerable light on the real inspiration behind Japan's recent "hands-off" declaration, or at least that portion of Japan's famous "unofficial statement" of April 17 last which declared a financial embargo on the Chinese Republic. According to a brief summary of the dispatches which appeared in the English edition of the *Osaka Mainichi* the Japanese Ambassador in Washington, Hiroshi Saito, prior to his departure for Japan visited Thomas W. Lamont, leading partner in the firm of J. P. Morgan and Company and discussed the question of the League of Nations' projected investments in China. The dispatch stated that Mr. Lamont already had exchanged views with other Japanese emissaries now in the United States, including Masao Matsukata and Ryozo Asano, in which connection *Mr. Lamont had indicated his opposition to any international investments being made in China in disregard to Japanese opinion.* The report concluded with the following significant paragraph:

"It is further understood that the banker (Lamont) stated that any investments in China which do not take Japan into account, will only increase the dangers of the situation, and that any future investments in China must rest on the necessary condition that the Nanking Government will honor all its existing loans."

If this statement attributed to Lamont is correct, it indicates that the New York banking house of Morgan and Company may have been the silent partner in Japan's "hands-off" declaration which stated, in effect, that Japan would oppose any loans to China for reconstruction or other purposes on the ground that such might alienate the "friendly relations between Japan and China and other countries and thus disturb peace and order in East Asia."

Since the publication of the Japanese "hands-off" declaration of April 17 last there have been frequent references by Japanese officialdom to the so-called "Consortium Loan Agreement of 1921-1922" which was negotiated largely through the efforts of Thomas W. Lamont who spent considerable time in the Far East for that purpose. This agreement, popularly known as the "New Consortium" received its inspiration at the Versailles peace conference and was designed, according to the original announcement, for the purpose of preventing international financial rivalries in China. In other words, the banking interests of

the United States, Great Britain, France and Japan, under official inspiration, got together and agreed to pool their interests in China to the end that the future lending of money to China would not result in the creation of spheres of influence tending to split up the country. Since the agreement was formed, after Japan's advance of the so-called Nishihara loans to China in 1918, it was assumed at the time that the chief object of the New Consortium was to neutralize the effect of the Nishihara loans, most of which were designed for the purpose of establishing Japan's military, financial and economic hold on Manchuria and north China. The Japanese therefore raised serious objection to the New Consortium agreement and refused to come into it until Mr. Lamont compromised with the Japanese financiers by agreeing to the exclusion of certain of the Japanese loans from the scope of the Consortium contract. But while the original objective of the New Consortium, as conceived by President Wilson and the other leaders at the Versailles conference, may have been to protect China from the adverse effects of international financial competition, the real situation was disclosed in 1927-1928 when J. P. Morgan and Company attempted to make an independent loan of considerable proportions to the Japanese government-controlled South Manchuria railway. However, this loan was blocked because of the opposition of both China and the State Department, China's objection being based on the contention that it would further Japanese aggressive designs in Manchuria, while America's objection was based on the grounds that it would tend to involve the United States in the complicated politics of that region. In other words the state Department believed that the proposed Morgan loan to the S. M. R. would tend to make the United States a partner in Japanese agression in China's northeastern provinces.

Events since 1931, following the Japanese military occupation of Manchuria, have shown that the State Department was correct in its attitude, for had Morgan and Company been permitted to make its loan to the S. M. R., the United States, because of the financial interest involved, would have been a silent partner in Japan's violation of the Nine-Power Treaty. The American action in blocking the Morgan loan to the S. M. R. did not prevent Japan from seizing Manchuria, but it did prevent the United States from becoming a partner in the crime. However, there have been numerous reports in the newspapers of the Far East, that another Morgan loan which was advanced to Japan early in 1931 for the announced purpose of industrial development in Formosa, was actually used by the Japanese military clique for financing its original drive into Manchuria late in the same year. There has been no confirmation of these reports, which, as stated, were published in the newspapers throughout the Far East late in 1931. But while this element lacks confirmation there is no questioning the fact that Morgan and Company is heavily involved financially in Japan—which probably ex-

THE "OPEN DOOR" POLICY IN CHINA.

That cartoon by the well-known English cartoonist Low, appeared in "The Nation" (New York) May 30

plains the report in the Japanese newspapers, referred to in the foregoing, that Thomas W. Lamont was a supporter of the Japanese "hands-off" declaration. There is an element in this situation which is reminiscent of conditions prior to America's entrance into the World War when it was shown that Morgan loans to Britain had much to do in dragging America into the conflict.

In view of this situation it is of undoubted significance that Thomas W. Lamont, the creator of the New Consortium, should now be supporting militarist Japan in her attempt to establish control over China's domestic and external finances. To refer back to Lamont's alleged statement in the Japanese newspapers he was quoted as being oposed to *any international investments being made in China in disregard of Japanese opinion* and in addition he declared that any future investments in China *must rest on the necessary condition that the Nanking Government will honor all its existing loans.* This means, in simple terms, that the wall street banking house of Morgan and Company, despite the unsavory disclosures of the recent Congressional investigation, is nevertheless placing itself in the position of being a supporter of Japanese treaty violation and military aggression in the Far East, in spite the fact that such action is contrary to the public policy of the United States in this part of the world. Despite the official action of the United States with respect to Japan's seizure of China's northeastern provinces and despite Secretary Hull's recent repudiation of Japan's 'hands-off" declaration, Mr. Lamont insists that China should not be permitted to borrow money for reconstruction purposes without the consent of Japan and furthermore, that China should be compelled to honor all existing loans, including the nefarious Japanese Nishihara loans of 1918, before being permitted to borrow any more money.

Several references to the so-called Nishihara loans have appeared in *The Review* recently (see issues of May 19, 26 and June 2) which have shown that these loans, advanced to a discredited military clique in north China during the course of the World War, were of a political nature and were designed for the purpose of clinching Japanese military and economic control over Chinese territory. It was due to the intimate connection between these Japanese financial activities and the New Consortium that the Chinese Government refused to recognize the consortium contract and it was due to the political nature of the Nishihara loans and their close connection with the infamous Twenty-One Demands of 1915 that the Nationalist Government and the Kuomintang refused to recognize their validity. If further evidence regarding the character of the Japanese financial advances to the discredited Anfu clique of militarists and politicians in temporary control of the old Peking government during 1918, is desired, readers may obtain the information from Prof. C. F. Remer's "Foreign Investments in China," (Macmillan Company, 1933). On Page 139 of his book, Prof. Remer declared, "....Most of the increase in China's foreign debt, (between 1914-1931) was in obligations held by the Japanese. There was some degree of logic, from the economic point of view, in Japan's advance, resting upon her nearness to China and her war-time prosperity. The chief explanation, however, lies in another field. A large part of the obligations consists of loans which no group of financiers would have undertaken without the assurance of political backing. Aside from the increase in the 'unsecured' loans there was some increase in loans for railways in Manchuria.... The new obligations of the Chinese Government between 1914-1931 were dominated for political reasons by a country which has not been a capital exporter in the past, though the prosperity of the war made Japan a lender abroad for a time."

In a further reference to the Japanese advances to China in this period, Prof. Remer declared (Page 134) "In the Nishihara loans we reach the lowest point in the foreign financing of the Chinese Government. On the one hand we see a Chinese Government pursuing a policy which can only be described as the desperate pawning of options upon future loans and on the other a Japanese group willing to accept obligations, later taken over by the Japanese Government, in exchange for funds to be used for civil war and political intrigue. Here we are about as far as it is possible to be from the importation of capital for economic development."

Aside from the foregoing references to Morgan and Company's alleged support of Japanese military and financial aggression, the Japanese newspapers have continued to voice strong opposition to any attempt on the part of the Chinese National Government to pursue an independent financial course. The *Osaka Mainichi* in the course of an extended editorial analysis of the new Chinese fostered Development and Finance Corporation," in its issue of June 8, declared.

> "The new bank thus proposes to encourage the influx of foreign capital to China and by taking advantage of its special connection with the national economic commission, is to invest in a number of constructive economic enterprises. It is also being said that part of the capital may be turned into a pool for the purpose of redeeming old foreign loans.
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> "The latest report is to the effect that through the joint efforts of Adviser Monet and Mr. Rogers, specially dispatched by the American Finance Department, now in Shanghai, the financial representatives of Britain, America, France, Italy, and Belgium in that city seem to be planning to form a syndicate, in great secrecy, to invest in various enterprises in China through the new bank.
>
> "If such turns out to be true, what will be its relations with the quadruple consortium which is responsible for the economic assistance to China? There is every possibility that a highly complicated situation will arise.
>
> "We are reminded of the unofficial declaration of our China policy. We voiced in this column our support of the declaration, at the time it was made. This forming of the new bank, even though it may

not have any relation to the League's technical assistance, we are forced to oppose because the invitation to foreign capital, exclusive of Japan, is liable to have a serious effect upon the domestic politics of China.

"If any proposal sincerely aims at China's economic revival, the first step should be to readjust the old foreign loans. Invitation to foreign capital, with the old debts piled up and ignored, will never bring honest economic assistance. Among the capitalists in Britain, some are reported as declaring that any new investment in China is equivalent to throwing money into the gutter.

"We advise China with conviction that the best way to solve her present financial difficulty is first to formulate a plan for readjusting the old foreign debts and then to invite foreign capital to invest. That Japan, in that case, should not be excluded, hardly needs emphasis."

It was the organization of the China Development Finance Corporation a few weeks ago, which was largely responsible for the Japanese "hands-off" declaration, the reason being that the new Chinese financial organ was designed for the purpose of encouraging the development of industries and reclamation projects. The new Chinese bank has a capital of $10,000,000 (silver) which was subscribed by the Government Central Bank, the Bank of China, Bank of Communications and by a large number of Chinese bankers, businessmen and officials, including Dr. H. H. Kung, Finance Minister and T. V. Soong, a director of the National Economic Council. The purpose of the bank is to foster investments by both Chinese and foreigners in development projects in the interior of the country. Messrs. Kung and Soong were assisted in the organization by two financiers who formerly were associated with the League of Nations, Gene Monet a Frenchman and David Drummond, a Briton. The organization, however, has no connection with the League, but obviously was designed for the purpose of carrying out development projects such as road and railway construction and reclamation schemes which have been investigated by technical advisers who were recommended to China by the League. But since the League of Nations is anathema to the Japanese who have set themselves up as the controllers of China and the Far East generally, they apparently are determined not only to prevent the new bank from functioning, but also have taken steps to establish complete control over Chinese finance. In this connection the Japanese are now trying to revive the defunct Exchange Bank of China, through which most of the Nishihara loans were advanced and worse, are also trying to revive the discredited Anfu clique of Chinese militarists and politicians who were the recipients of the Nishihara loans and who, in consequence were driven out of office by an outraged Chinese populace about sixteen years ago. Reports published in the Japanese newspapers, including the *Osaka Mainichi* and the *Japan Chronicle* on June 9 and 10 stated that these subjects were brought up by Akira Ariyoshi, the Japanese Minister, on his recent visit to Nanking, just prior to the presentation of Japanese ultimatum over the ridiculous Kuramoto incident.

Japan-Netherlands India Delegates Hold Committee Meeting

Delegates to the inter-governmental trade conference between Japan and the Netherlands East Indies got down to business for the first time by holding a general committee meeting June 26. The conference had been at a standstill since its formal openin g on June 8.

Reuter announces that has been authoritatively it informed that there is no foundation for the report published in a Japanese paper that Great Britain and the Netherlands have concluded a secret agreement for a united front on military and economic matters in the Far East.

Japan will adhere to its contention that the enforcement of import quotas against Japanese goods in British Crown colonies is a violation of the "most-favored nation" clause of the Anglo-Japanese Treaty of Commerce and Navigation, it was indicated at the Tokyo Foreign Office. June 23. Japanese officials made their attitude clear following the receipt of an official report on the reply made in London the previous day by Walter Runciman, president of the Board of Trade, to the Japanese protest of May 15 regarding the enforcement of the quota. The British reply denied the Japanese claim that the enforcement of quotas is a treaty violation.

The British Government defintely rejected the Japanese protest of May 17 against drastic limitation of imports from Japan into British colonies.

Official Japanese trade agencies abroad will be placed under the control of the Foreign Office so as to eliminate the duplication of work, which is now being carried on by both the Foreign Affairs and Commerce and Industry Ministries, according to a plan being elaborated by officials of the Ministry of Commerce and Industry.

British Interests in China Vital, Says China Association Secretary

The importance of British interests in China was emphasized in a recent editorial in the *London Times*, which elicited from the China Association, through its secretary, E. M. Gull, the comment that in Shanghai British interests are not second to, but very much larger than, Japan's. "The Japanese population," added Mr. Gull, "exceeds the British, but the total of British capital invested there, as shown by recent investigations of a neutral economist of repute, is three times as large as that of Japanese capital. Moreover, as Shanghai does more than half China's foreign import trade, and the value of British exports to China (excluding Manchuria) last year exceeded Japan's, there is ground for claiming that commercially also our interests in the port are larger than hers. Nor can there, I venture to assert, be any doubt that British banks and insurance companies are responsible for a larger volume of financial transactions than Japanese."

The *Osaka Mainichi's* New York correspondent wired recently that the American silk weavers declare they are outrivaled by the Japanese, and demand that the NRA authorities assist them by either raising the import tariff on Japanese silk goods, or enforcing a quota system. As a consequence of the NRA's campaign for raising the prices of commodities, there have arisen movements in the United States to check the influx of Japanese goods by higher tariff or import limitations. The same movement is now being conducted with marked earnestness by the American silk goods manufacturers.

The Norwegian Government having decided either to raise duties on Japanese goods or to enforce import restrictions against them, the Tokyo Foreign Office recently wired instructions to the Japanese Minister to protest against the action.

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British Policy Towards China and Japan Outlined by Sir John Simon

The British Government is "closely studying the question of sanctions (penalties) against Japan," Sir John Simon, British Foreign Secretary, said last month, (according to the *Wall Street Journal*). Sir John was replying to Labor and Liberal critics of the government policy towards Japan. They charged it was one of vacillation in the matter of curbing Japan's expansionist activities.

The Foreign Secretary reminded the House that Britain undertook to respect, not to preserve, the territorial integrity of China. He warned they must consider whether a state to which sanctions were applied would "take it like a boy receiving chastisement."

Sir John made no reference to the present British-Japanese trade war, nor to the Japanese invasion of Manchuria, when Britain failed to act.

He referred to the unwillingness of the United States to go far on the question of sanctions. He acknowledged the contribution of the United States to the improvement of international affairs, but declared the limitations within which the United States is likely to act must be kept in mind.

Referring to proposed reform of the League, he made a strong bid for Germany's return. "If we are going to revise the covenant we want Germany there to help, "he said.

Southwest Allegedly Bows to Nanking Leadership; General Chiang Interviewed by Ariyoshi

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1.—Nanking-Canton to co-operate sincerely in achieving national unity
2.—General Chiang closeted with Ariyoshi at Nanking
3.—Red stronghold, Tungkiang, captured by Szechuan Troops
4.—Text of Sikong-Tibet truce agreement published
5.—Japanese reports allege Tientsin Party organs abolished
6.—H. H. Kung arrives at Peiping on inspection tour

The *Shanghai Evening Post* reports on June 26 that a strongly worded message delivered by General Chiang Kai-shek, threatening drastic actions, has prompted the Southwest military and political leaders to show a definite tendency to yield to the Nanking authorities and to work sincerely for national unification. General Chiang, in his message, took strong exception to the building of fortifications by Kwangtung and Kwangsi military leaders along the Kiangsi border, which, ostensibly designed to check the invasion of Communists, are in fact planned to check a possible advance across the border lines by the Government troops following conclusion of the Communist-suppression campaign. The telegram demands immediate stopping of construction of the fortifications and gives the Southern leaders no alternative but to receive General Ho Chien, Chairman of Hunan, who has been entrusted by General Chiang to negotiate for the reorganization of the independent political and military organs in South China. General Ho is reported to be highly successful in his mission and he may return to Nanking via Shanghai together with Generals Chen Chi-tang and Li Tsung-jen for a sincere and earnest conference with General Chiang Kai-shek to pave way for national unification.

According to *China Press* correspondences from Hongkong and Nanking June 25, political developments of great importance are taking place in the Southwest following visits of a number of Nanking Government envoys to Canton. The developments aim at abolition of the Southwest Executive Committee of Kuomintang and the Southwest Political Council at Canton and the establishment in their places of a Political Affairs Readjustment Committee of the Executive Yuan and a Southwest Branch of the Military Affairs Commission similar to the two branch organizations in Peiping. It is suggested that Hu Han-min, veteran Party leader now in retirement, and General Chen Chi-tang, South China's "Strong Man" will head the political and military organs respectively.

General Ho Chien, Chairman of Hunan, General Pai Chung-hsi, second in command of Kwangsi Forces, arrived at Canton June 21. Following their arrival, a series of military conferences has been held at Canton, participated by General Chen Chi-tang and other Kwangtung military commanders. The conferences continued during the week. It is understood that considerable progress has already been made in the discussions aimed at consolidating the position of the Southern provinces. However, no final decision will be taken until the interview of General Ho Chien, Generals Li Tsung-jen and Pai Chung-hsi, General Chiang Po-cheng (personal representative of General Chiang Kai-shek), with Hu Han-min at Hongkong, who is still holding key to the solution of Canton-Nanking disputes. The visiting Southwest military leaders are due to arrive at Hongkong June 28. It is said that General Chen Chi-tang will also join the parley.

General Chiang Kai-shek has telegraphed to General Chiang Po-cheng to remain in Canton for the time being so as to facilitate arrangements with the South-western military authorities concerning the bandit-suppression activities. General Chiang Po-cheng is stated to have announced that the Central authorities will not despatch any additional troops to Fukien for the suppression of the "Reds" there, as the Government units in that province are considered to be sufficient to handle the situation.

General Chen Chi-tang has issued strict orders for the construction of a highway on the Kiangsi-Fukien-Kwangtung border to facilitate military transportation. He has set aside $150,000 to meet the construction expenses. According to General Chen's order, the new road must be completed within one month's time. General Chen has decided to organize auother infantry division to strengthen South China defence with himself as commander. He has telegraphed to the Central Government asking that the monthly allowance for Kwangtung should be increased by $300,000 to meet the increasing military expenses.

General Huang Shao-hsiung, Minister of Interior, arrived at Wuchow, eastern Kwangsi, from Canton, June 19. After being welcomed by General Hsia Wei, Vice-Commander of the 7th (Kwangsi) Army, Minister Huang motored to Jungyun, his native place in south-eastern Kwangsi. After a short sojourn in Jungyun, General Huang will motor to Nanning, provincial capital of Kwangsi, to confer with General Pai Chung-hsi, Vice-Commander of the Kwangsi Provincial Forces, and General Huang Hsu-chu, Chairman of Kwangsi.

Generals Tsai Ting-kai, Tan Chi-hsiu and Chiu Chao-shen, leading commanders of the 19th Route Army who are now on an inspection tour in Europe after their defeat in Fukien at the beginning of this year at the hands of General Chiang Kai-shek, are now in Berlin after visiting Switzerland, Hungary and Czecho-Slovakia, according to a Geneva dispatch of the *Chao Jan Pao*, Hongkong, June 16. It is understood that after spending a week at Berlin the party will leave for Denmark and Belgium. The are expected to be in Paris by coming October.

Representatives of both the British authorities and the Chinese Ministry of Railways have arrived in Canton for a preliminary exchange of views regarding the revision of the Canton-Kowloon Railway Agreement. The British representatives are advocating that the conference be held at Hongkong instead of at Canton. The Chinese representatives are still considering the request.

According to report received at Nanking from Canton, British armed guards on Burma-Yunnan border are attacking Panlou, a Yunnan city inside the border. Confirmation of the report from official circles is lacking. However, it is learned that the Ministry of Foreign Affairs has wired the Yunnan Provincial Government to investigate into the matter.

General Chiang Closeted With Ariyoshi at Nanking

Akira Ariyoshi, Japanese Minister to China, was closeted with General Chiang Kai-shek, Chairman of the Military Affairs Commission of the National Government, for thirty minutes in the morning of June 26 at the Central Military Academy in Nanking. This was the first interview between General Chiang and Mr. Ariyoshi since the latter's appointment as Minister to China. The meeting was not scheduled but was suddenly arranged at Mr. Ariyoshi's request. Following the meeting, Gen. Chiang left immediately for Hangchow by airplane. He arrived at Hangchow noon June 26. After remaining in the Lake City for one day, he departed for his home town, Fenghua, on the following day by motor-car.

Mr. Ariyoshi also saw President Wang Ching-wei of the Executive Yuan on the same day and discussed with him China's new tariff rates on Foreign commodities effective from July 1. Mr. Ariyoshi thanked President Wang for the efforts made by the Chinese authorities in searching for E. Kuramoto, Japanese Vice-Consul in Nanking, who disappeared recently, but was discovered by the Nanking Police.

General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Committee, arrived at Hangchow from Shanghai June 25. He was received by General Chiang Kai-shek on the following day. After a further exchange of views with General Chiang regarding the North China situation, particularly relating to the details of the arrangements for resuming through rail traffic on Peiping-Mukden Line, General Huang is reported to have decided upon the date of his return to Peiping. General Chang Chun, Chairman of Hupeh, is also visiting Hangchowto see Generalissimo Chiang.

With regard to reports now in circulation in China regarding the proposed abolition of the Tangku Agreement, a spokesman of the Japanese Foreign Office declared that abolition of the Pact is not contemplated by the Japanese Government and that it is only the wish of the Chinese authorities. The spokesman added that so far the Chinese Government has not made a formal suggestion to Japan and that even if China does so Japan will not accept it.

Japanese Allege Tientsin Party Organs Abolished

A *Rengo* report on June 19 reported that at the request of General Yu Hsueh-chung, Governor of Hopei, the Tientsin Kuomintang Party Headquarters was be abolished on June 14 by order of the Central Party Headquarters at Nanking. General Yu has taken over control of the affairs formerly connected with the Kuomintang in Tientsin.

In connection with the above report, a bulletin issued by the Japanese Information Bureau at Tientsin on June 19 stated that a new organ to substitute the abolished Tangpu has been created and will concurrently act as the political department of the 51st Army commanded by Gen. Yu. The above political department will be under the full control of Tseng Kuang-chin, Director of the Political Department belonging to the Peiping Military Council, and owing to the fact that Tseng is one of the organisers of the Chinese Blue Shirts, the abolished Tangpu is replaced by the Blue Shirts. The abolition of the Tientsin Tangpu is regarded as a great success on the part of Chen Li-fu who recently came up north. Further-more, the direct cause of the abolition is believed to have been due to a report of Yu Hsueh-chung sent to Nanking to the effect that the anti-Japanese movement and many other outrageous steps taken by the Tientsin Tangpu endangered diplomatic relations between China and other foreign countries, but abolished Tangpu is going to be replaced by the Blue Shirts, quite unexpectedly, the expansion of whose influence might again affect Yu Hsueh-chung's administration.

According to a *Rengo* report from Tientsin to the *Japan Chronicle* dated June 18, following the recent incidents at the Dairen Kisen Kaisha Wharf, the head of the Japanese North China Youth Alliance, a man named Shimura, has published a manifesto in the local Japanese Press in which he describes the objects of this organisation. The manifesto criticises the methods of the Tientsin Customs officials, and complians that whereas European and American passengers are often allowed to pass without examination, Japanese passengers are subjected to a strict search.

Part of the manifesto reads: "The Japanese Empire is the chief power in the Far East, and the Japanese spirit is known to the whole world. It is to be deplored that the Customs officials regard the Japanese people as belonging to a bad class and their treatment of us is an insult."

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A *Rengo* dispatch from Tokyo June 26 reports that the Japanese Consul, at Amoy, Tsuyoshi Tsukamoto, in a lengthy report filed with the Tokyo Foreign Office the previous day, stated that Japanese residents in the Fukien city are viewing with alarm the rivalry and constant disputes between national and local officials. These, the consul accuses, are corrupt and are only interested in fattening their private purses to the detriment of the welfare of the people. Moreover, Mr. Tsukamoto reports that "malicious propaganda" alleging that Japan is planning to seize Amoy, to obtain a concession at Santuau, a harbour opposite Amoy, is being spread by political agitators. Rumours of a plot to establish an independent "South China" Government are also heard, the consul stated. The Japanese in Amoy, who suffered heavily at the time of the abortive Fukien rebellion earlier this year, are fearing that the present political strife may lead to disturbances and jeopardize their lives and property.

In connection with the above message, the *North China Daily* News on June 27 learned that the root of the trouble in Amoy lies in illegal activities carried on by certain Formosan Japanese subjects which are strongly opposed by some Chinese officials. The Formosans concerned are said to be leaders in a smuggling and gambling ring.

A bomb incident, which is now threatening to assume serious proportions, occurred at Amoy night June 22 when a grenade was tossed into a hotel owned by Japanese and Koreans. The incident was preceded by a clash between the Chinese police and a number of armed Japanese loafers who attempted to interfere with the searching of a Japanese gambling den by the former. The situation is tense. The two pedestrians, who were injured when the bomb was tossed in the hotel, are now lying in a critical condition in a local Navy Hospital.

Japanese and Chinese Comments on Kuramoto Affair

Commenting on the Kuramoto Affair under the heading "Better Forgotten," the *Osaka Jiji* says that it now leaves little room for doubt that nervous debility was the cause of Mr. Kuramoto's sensational disappearance, and the theory of kidnapping, which at one time found much credence, is practically disposed of. The Japanese Government proposes to make public the whole truth as quickly as possible and will frankly thank the Chinese authorities for the efforts they made for the search. But in view of the fact that the sensation created over the affair was partly due to the general attitude which the Chinese have been adopting towards Japan and Japanese recently, the Japanese Government will ask Nanking for greater efforts towards the control of Chinese illegal acts against Japanese residents. The Japanese Government sincerely hopes that the affair will be consigned to oblivion altogether so as not to leave any trace of unpleasantness between the two nations. It desires that in each country there should be no such utterances or movements as tend to excite opinion in the other country.

Analyzing the motive of the disappearance and professed intention of E. Kuramoto to commit suicide, Chen Ju-Hsuan, member of the legislative Yuan, in an article published by the *China Times*, June 21, points out that none of the two stories, mental derangement and disappointment in his career, constitutes a satisfactory explanation. The real expalnation must be sought elsewhere. It may be recalled that during the Mukden outbreak in 1931, the death of Nakamura won Japan four Chinese provinces. Now what price China would have to pay with the loss of a diplomatic representative of the Imperial Japanese Empire can well be imagined. Should Kuramoto fail to appear again alive or be discovered dead, the great flottila of Imperial Japanese Navy would have long bombarded the Chinese Capital, Naval parties would have landed and occupied the strategic cities along the Yangtsze. In such case, not only the questions of through rail traffic and postal communication between Mukden and Peiping could have been settled without the least difficulty, but the Japanese military would seize the chance of occupying all North China and annexing Fukien. The Chinese Government having proved herself to be unable to cope with the Nakamura incident, how can it expect to handle better the Kuramoto affair? Under such circumstances, China will have no other way but leave herself to be "slaughtered" by Japan at will. In such an event, the death of Kuramoto would be a great contribution to the Imperial Japanese Empire. But why Kuramoto did not end his life? It is said that Kuramoto has been long in China and recognized the Chinese as a people peace-loving and righteousness observing "The most fine people in the world" (Kuramoto personally told friends at a dinner party.) The reason why he wanted to kill himself might be attributed to his sincere desire to serve and loyalty to the Emperor and the Japanese Empire; the reason why he gave up his intention to communit suicide at the last moment might be attributed to his being inspired by sentiments of humanity and rightesousness. Although the failure of Kuramoto to kill himself constitutes a keen disappointment on the part of the Japanese military, however it has greatly enhanced the moral height of the Japanese people. Perhaps foreseeing this advantage to his country, Kuramoto decided not to kill himself in order to retrive the lost reputation of his country and not to implicate a friendly foreign country. Viewed in this light, the discovery of Kuramoto alive is of great importance in the Sino-Japanese relations.

Nanking Protests Against Murder of Chinese Student in Japan

The Ministry of Foreign Affairs, in a cable to General Chiang Tso-pin, Minister to Tokyo, instructs that another protest be lodged with the Japanese Government in regard to the murder of a Chinese student, named Yeh Mu-hua, by a group of Japanese students at Nagasaki. Minister Chiang is instructed to demand of the Japanese Government compensation for the family of the deceased and an assurance against recurrence of similar incidents in the future.

The Ministry of Education has also instructed the Super-intendent of Chinese Students in Japan to make a thorough investigation of the case.

Another group of 16 Chinese merchants in Japan who were expelled by order of Japanese police authorities have arrived in Shanghai on board a Japanese steamer. They visited the local Tangpu to present their grievances and are proceeding to Nanking to petition for assistance from the government. Most of the returned merchants were engaged in restaurant business in a small city near Yokohama. They were arrested and their shops closed and property confiscated by the Japanese police, because of a new order to renew their business permits during June. The total value of their properties confiscated by the Japanese police, it was estimated, amounts to more than $10,000.

The Hupeh Provincial Party Headquarters wired the Central Government June 19, urging the arrest of the Anfu leader, Wang I-tang, member of the Peiping political Affairs Readjustment Commission. The telegram charges Wang with intriguing with the Japanese to the detriment of the national interests of China. Mr. Wang has been in Japan since last month, carrying on negotiations with the Japanese finnacial interests for the re-opening of the defunct Sino-Japanese Exchange Bank in Tientsin.

Reds Lose Last Stronghold in Szechuan

Tungkiang, last "Red" stronghold in northern Szechuan, was occupied by the 5th Route Szechuen Army under General Tang Shih-tsun in the night of June 21 after several weeks' persistent fighting.

According to a special telegram received by the Nanchang Military Headquarters, the "Soviet Government" at Juichin has been removed to Ninghua as a result of the vigorious attacks made by the Government troops on that city. At present the leading Communist heads such as Chu Teh, Peng Teh-huai, Lin Piao, Tung Cheng-tang, Lo Ping-huei and Yeh Chien-ying are all at Ninghua where they are discussing measures for holding their present position against the Government forces. At present the Communists are in control of five districts in Kiangsi, namely: Yutu, Hsinkuo, Hueichang, Juichin and Ninghua.

General Chen Chi-tang has received a telegram from the commander at the southern Kiangsi front reporting that the Communists at Hueichang are withdrawing towards the North. The city of Hueichang has already been evacuated and most of the Reds are concentrating in the mountains to the east of the city. Many of the inhabitants of the Huichang, Yuentow and Shiuchin districts in Southern Kiangsi are suffering from dropsy owing to the lack of salt. Since the territories held by the Reds were bottled up, there has been a severe shortage of salt, and all found in the possession of the country folk has been seized.

General Wang Chia-lieh, Chairman of Kweichow, in a telegram to Nanking, June 23, reports that the "Reds" under Ho Lung have completed concentration along the Szechuan-Kweichow-Hunan border and are attempting to invade the city of Yinkiang, north-eastern Kweichow. Besides instructing the various Kweichow units to check the advance of the "Reds," General Wang has rushed all available reinforcements to Yinkiang to suppress the outlaws. He requests that adequate supplies be sent by the Central Government for the institution of rehabilitation work in the areas recovered from the marauders in the eastern route. A Chengtu message reports that General Wang has appointed General Yu Kuo-tsai as Field-Commander of the Kweichow Bandit-suppression forces. He has sent the Brigade under Major-General Li Cheng-chang from Tsunyi to Meitan to outflank the "Reds" near Yinkiang.

Communists have again become active in southern Hunan after their recent victory over the Hunan provincial forces. It is understood that the Communists in Hunan are making a desperate effort to join their cohorts in Kiangsi and to force their way into Szechuen through Hunan. The move is understood to be made under the personal direction of Chu Teh, Commander-in-Chief of the Red Army. The Government troops in western Fukien are rapidly approaching Changting, the last Communist stronghold in Fukien. The Government troops have already captured several strategic points around the "Red" City.

In accordance with the plans of General Chiang Kai-shek, President of the Military Affairs Commission, a joint general offensive will be launched simultaneously by the Eastern, Southern, Western and Northern Route Bandit-suppressoin Forces with a view to recovering all bandit areas before October. This decision was reached at an important bandit-suppression conference held at Canton June 23. Steps for establishing contact between the various route forces were also devised. The conference was attended by General Chen Chi-tang, Commander-in-Chief of the Southern Route Bandit-suppression Forces; General Ho Chien, Commander-in-Chief of the Western Route Forces; General Li Tsung-jen and Pai Chung-hsi, Commander and Deputy Commander of the Kwangsi Provincial Forces; General Chiang Po-cheng, personal representative of General Chiang Kai-shek; General Hsieh Yo, Commander of the 6th Route Army attached to the Northern Route Forces; Generals Yu Han-mou and Li Yang-ching, Commander of the 1st and 3rd Kwangtung Armies; and General Miao Pei-nan, Chief-of-Staff to the Southern Route Forces.

Beginning from July 1, classes for the rigid training of military officers above the rank of Major (in the 13 provinces of Kiangsu Chekiang, Hunan, Hupeh, Kiangsi, Fukien, Shantung, Honan, Yunnan, Kweichow, Shensi, Charhar and Suiyuan) will be opened at Haihuishih (monastery) in Kuling, Kiangsi. Training will be divided into three periods of one month each. One-third of the officers will receive training during each period.

Under orders of General Chiang Kai-shek, his Headquarters at Nanchang has formed a special commission to deal wtih mtarimonial disputes in the ex-Communist areas in Kiangsi. Under Communist control the existing matrimonial system was abolished and a new system introduced. The authorities fear that disputes may develop between men and women over the possession of wives and husbands. All such disputes will be handled by the new commission.

According to General Hsueh Yueh, the strength of the Communists has been greatly reduced as a result of six successive attacks made by the Government forces during the last few months. He said that the Communists have now only 60,000 men left. Chu Teh is the Commander-in-Chief of the Reds with headquarters at Juichin, Red capital. Under his command are the 1st, 3rd, 5th, 7th and the 9th Red army corps. Each army corps has three divisions, and only a minority of the soldiers are properly armed. These Reds are now stationed at Juichin, Hueichang, Yutu, Ningtu, Kulungkan and Hsinkou. Juichin and Kulungkang are two concentration places.

Text of Sikong-Tibet Truce Agreement Published

The text of the peace agreement signed on May 17 between General Liu Wen-huei, Garrison Commander of Sikonng, and the Tibetan commander at Changtu on the west of the Chinsha River, consists of twelve articles. The following is a liberal translation of the truce agreement:—

Article 1. The present agreement is primarily for the settlement of the dispute between Sikong and the Lamas over the possession of the Tachin Monastery.

Article 2. Both sides recognize that the clashes which have so far taken place between the Chinese and Tibetan troops were entirely due to misunderstanding between them and in order to remove such misunderstandings both sides have agreed to withdraw their respective troops from their presenet positions. The withdrawal shall be completed before June 6. The withdrawal shall be effected simultaneously and shall be carried out under each other's mutual supervision.

Article 3. After the Tachin Monastery has been restored to the Lamas a proper Kampo (Chief) shall be appointed to head the Monastery and another one shall be selected to

assist him. Their appointment shall be made by the Dalai Lama with the previous concurrence of the Chinese authorities. The appointment shall be made after being confirmed by the Chinese Government. The "Kampo" and his assistant shall take charge of religious affairs and they shall under no conditions be permitted to interfere in politics.

Article 4. The Tachin Monastery, which is now in a ruined condition, shall be repaired jointly by the Chinese and Tibetan authorities.

Article 5. The property which formerly belonged to the Tachin Monastery shall be restored to it provided the Monastery shall pay taxes and other levies according to schedule.

Article 6. That Tachin Monastery, like other Monasteries in Tibet, shall be a follower of the "Yellow Religion." The Sikong authorities shall accord similar treatment to the said Monastery as they accord to other Monasteries in Sikang.

Article 7. The Lamas of the Tachin Monastery shall be regarded as citizen of Sikong and they shall receive similar treatment as other citizens of the same province.

Article 8. The Lamas of the Tachin Monastery shall surrender all their fire arms to the Sikong authorities, but the latter shall give permission for the Lamas to possess 90 rifles for which the authorities shall issue proper licences. These fire arms shall not be brought out from the Monastery, but if such a step is necessary the Lamas must first report the matter to the Sikong authorities.

Article 9. The Sikong authorities and the Tachin Monastery shall forget their past grievances and they shall under no conditions seek revenge on each other.

Article 10. After the settlement of the Tachin Monastery issue, other outstanding issues between China and Tibet shall be settled between the Chinese Government and the Dalai Lama of Tibet in accordance with the provisions of the "Tuokang Agreement."

Article 11. The present agreement shall be in two copies with one in the hands of the Chinese Government and the other in the hands of the Tibetan authorities.

Article 12. In casd of doubt in the wordings of the Agreement the Chinese version shall be regarded as official.

General Huang Mu-sung, Special Commissioner to Tibet, reports his arrival at Kantzu, north-eastern Hsikang, from Kangting (Tatsienlu), capital of Sikong. Over a hundred Tibetan troops have arrived at Kantzu to escort General Huang to Changtu (Chamdo) en route to Lhassa, Capital of Tibet.

For present purposes of commerce and perhaps for future military use, the Soviet Union has completed an automobile road 531 miles long from Osh near the Russian-Sinkiang border through Sinkiang to Gilgit in India, according to an account in the *Tokyo Kokumin* June 19 as reproduced in the *Japan Advertizer*. The road represents an improvement of an old mountain path which followed the shortest way from Soviet territory to India. England, the *Kokumin* said, is expected to feel concern over the new highway.

Four Japanese students under the leadership of one Yamada arrived at Sian from Loyang June 19. According to their statements they are students of the Tung Wen School in Shanghai and their object is "purely a pleasure trip." They are leaving for Shienyang and Chienhsien June 20 to visit the historical spots there.

H. H. Kung in Peiping on Financial Inspection Tour

The *Chekiai News Agency* reports that Finance Minister H. H. Kung, accompanied by General Yu Hsueh-chung, Chairman of Hopei, arrived at Peiping from Nanking at 5.25 o'clock afternoon June 24 on a tour of inspection of the finance in North China. The Finance Minister was greeted at the Station by General Ho Ying-ching, Chairman of the Peiping Branch Military Affairs Commission; Dr. C. T. Wang, former Minister of Foreign Affairs who is now visiting Peiping; Colonel Yuan Liang, Commissioner of Public Safety Bureau and Dr. Y. T. Tsur. A huge gathering of representatives of the various business organizations and public bodies was also present to welcome the visiting Finance Minister. Dr. Kung was entertained to dinner at Chujentang by General Ho Ying-ching in the evening. He is now residing at Fengchaiyuan in Nanhai.

While passing through Tientsin the previous day, Dr. Kung personally inspected the Government Mint, Customs, Consolidated Tax Bureaus and the Manufacturers' Bank at Tientsin. After reviewing the progress achieved by the Central Bank during the past six years, Dr. Kung addressed the entire staff of the Central Bank there. He urged the staff to exert themselves in their work and co-operate wholeheartedly, thereby contributing to the further advancement of this national financial institution.

Continuing, Dr. Kung said that each member of the staff is a representative of the Bank and therefore must maintain an unimpeachable conduct in order not to prejudice the reputation and integrity of the Bank. The Central Bank is a bank of Banks which has the mission to assist national treasury, maintain the Government credit, develop home industries and help the people in their livelihood.

In a report submitted to Dr. Kung on the abolition of miscellenous and exorbitant taxes, the Provincial Commissioner of Finance of Hopei states that a total sum of $555,371 has already been abolishe din Hopei. Those remaining unabolished will be done away witn by beginning of the 23rd fiscal year, while those farmed out to agencies will be abolished by end of 1934. The total amount of farm surtaxes has already been reduced to $799,000 a month, which represents a reduction of $596,000.

Dr. Kung was the principal speaker at the Commercement Exercises of the Yenching University on June 25. In an eloquent and earnest speech, Dr. Kung effectively impressed the graduating students of the importance of the sense of responsibility. Embarking upon their life work, Dr. Kung said, the graduates must remember their duty of service to society and the nation. He urged proper and wise selection of profession and observance of the principles of the New Life Movement on the part of the graduates. They should not fear of hardships, Dr. Kung advised, but should conquer environment and become leaders of affairs. Concluding, Dr. Kung reminded the students that China is now facing aserious national crisis and they as citizens of China should share the responsibility in saving the country.

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The Hopei Provincial Government has received a telegram from the Magistrate of Tangshan reporting that Communists have resumed their activities at Tangshan and Red placards and handbills have appeared in that city. The Public Safety Bureau is taking precautionary measures against possible emergencies and at the same time is making a vigorious search for Communist agents in the city.

According to latest statistics, 153,900 Chinese coolies have left China for Manchuria during the last twelve months. These workers are now being employed in the work of building roads, railways and defence works in North Manchuria.

General Hsu Yung-chang, Chairman of Shansi and concurrently Commander of the 23rd Army, and General Yang Ai-yuan, Commander of the 34th Army, are shortly proceeeding to Nanking from Taiyuan to receive instructions from General Chiang Kai-shek.

In view of financial difficulties in Shansi and Suiyuan, the military authorities of these two provinces have decided to adopt a rigid retrenchment policy. As a first step the troops in Shansi and Suiyuan will be further reduced. It is said that the monthly deficit for military expenses is more than $100,000.

Chang Chung-sun, personal representative of Gen. Chang Hsueh-liang, called on Gen. Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, at Hopientsun, June 21 to inquire after the health of the Shansi leader. Interviewed, Mr. Chang stated that besides inquiring after the health of General Yen, he conferred with the latter regarding the despatch of Shansi and Suiyuan military officers to Kuling to undergo training for a month. It was arranged that 160 Shansi and Suiyuan military officers above the rank of major are to leave for Kiangsi in three separate groups to receive intensive military training.

A message from the Mongolian Political Council reports that the Japanese are making feverish preparations for the invasion of Inner Mongolia. They have confiscated private

arms and disbanded the Mongolian troops. A highway leading from Linsi, western Jehol, to Tolun (Dolon Nor), eastern Charhar, has been completed and transportation of military supplies to Tolun is in progress. The Silingol League region is directly menaced by the Japanese invasion. The loss of this area would mean the occupation of the entire Inner Mongolia as it serves as the key to the territory of the various Mongolian leagues and banners, the message points out. The Mongolian cavalry units total no less than 150,000 strong. If they are well trained and placed under able generals, it is by no means difficult to resist the encroachment of the Japanese. It is hoped that adequate provision will be made by the Central Government so as to enable the Mongolian troops to strengthen the national defence.

Prince Sha-Ke-Tu-Erh-Cha-Pu, Vice-Chairman of the Mongolian Local Autonomy Political Affairs Council, interviewed at Kweihwa June 20 said that the offices of the Council have now been removed from Pailingmiao to new buildings in the neighbourhood. An elaborate ceremony was held when Prince Yun-Tuan-Huang-Che-Ke, Chairman of the Council, received the official Seals from the Central authorities. The Seals were not used until after they had been on public exhibition for three days.

General Chiang Ask Action on Leading Policies

According to a *Rengo* telegram from Nanking on 20 published in the *Japan Advertiser*, at the special meeting of the Central Political Council held on that day, General Chiang Kai-shek submitted the following outstanding problems to the meeting and sought decisions on important national policies:

International problems: Final decision on the through traffic and mail issues between North China and Manchukuo; means of technical co-operation with the League of Nations.

Domestic problems: The Southwest policy; the Mongolia and Tibet policies; administrative reform in the provinces and the subsequent change in personal administration, the date and preparation for the opening of the 6th plenum of the Kuomintang.

General Chang Chun, Chairman of Hupeh, and formerly Mayor of Shanghai, denied the rumour that he would be appointed Chairman of Hopei, in an interview with press representatives June 21. He said he had made injuries and found the rumour to be groundless.

In view of the rapid progress made by the Government troops in the campaign against the Communists in Kiangsi, the *Chekiai Agency* reports from Nanking that General Chiang Kai-shek is mapping out plans for the transfer of the Communist-suppression forces to the border districts for reclamation and colonization after complete liquidation of the Red menace in Central China It is believed that with the Government troops now closing in from all directions, the Reds can be completely suppressed within a period of three months. The Provisional Headquarters of the President of the Military Affairs Commission at Nanchang and the Kiangsi Provincial Government are co-operating in devising measures for the rehabilitation of the recovered districts from the Reds. Gen. Chiang is also contemplating to put into force the plan of reconstruction by military labor to hasten rural recovery and enhance national productivity.

In appreciation of his untiring efforts and signal service in leading the revolutionary campaigns, graduates of the Whampoa Military Academy have decided to have a bronze statue made of General Chiang Kai-shek. The statue will be carved by Li Chin-fa, a noted sculptor trained in France. The work is expected to be completed within three months, when it will be presented to General Chiang.

According to a *Central Press* dispatch from Nanking June 12, Ku Meng-yu, Minister of Railways, was impreached by the Control Yuan for secretly signing a contract with a certainn French firm in connection with the Tai-tung Railway and the case was referred to the National government for trail. The impeachment was made in April this year by a member of the Control Yuan. But owing to the ban imposed on the news, nobody knows it until now.

It is reliably learned that the Government has decided to establish several Political Councils in different parts of the country to facilitate local administraion, particularly the far away places such as Sinkiang, Kansu and Chinghai.

Escorted by 50 military police, more than 100 men and women Communists passed through Hanchow June 21 on the Tientsin-Pukow Railway en route to Nanking. They will be sent to the Central Penitentiary.

New Foreign Policy and Administrative Reforms Urged by Chinese Press

Urging the adoption of a new foreign policy for China, the *Ta Kung Pao*, Tientsin, on June 21 writes:

"We maintain that the Government should adopt an independent, self-reliant and many-sided friendly foreign policy at this juncture. By an independent and self-reliant policy we mean that we must work out our own salvation without seeking special assistance from the Powers. By a many-sided friendly policy we mean that we should aviod entangling alliances and try to live on friendly terms with all the Powers. As the world is constituted to-day, self-interest is the principal consideration in international relations. Before a nation can expect help from others, it must prove itself worthy of help. The urgent task of the moment confronting China is how to modernize herself. We hope that we shall not suffer further foreign aggression. What we want is that we shall be able to preserve our independence. We are altogether too weak to be qualified to enter into alliance with any power. Moreover, in the existing state of international affairs no nation is in a position to help us.

"On the strength of this belief we hold that our foreign policy at the present moment should be first of all brought into harmony with our internal policy. This means that we should first put our own house in order and work for economic recovery. At the same time we should not seek unnecessary understandings with our enemies and thereby increase their hold on us. We should also refrain from enlisting the excessive sympathy and support of our friends so as to arouse the suspicion of others. We must depend upon our efforts for our salvation. If this policy involves temporary diplomatic isolation for our country, we should not hesitate to adopt it."

Writing under the heading "Chinese Attitude towards Foreigners," the Peiping *Chen Pao* on June 15 observes that the Chinese attitude towards foreigners has undergone many changes during the past 60 years. At first, Chinese people were insensible to dangers threatening their country. In recent years, the land was echoed and re-echoed with such slogans as "Down with Imperialism, and "Down with Unequal Treaties." Apart from a few familiar slogans, the National Government has had no foreign policies during the past four or five years before the Japanese occupation of Manchuria. Since the Mukden Affair in 1931, the Government and people, instead of settling down to some practical work, at first indulged in high-sounding and irresponsible talk. Following conclusion of the Tangku Armistice, this irresponsible attitude gave way to one of fear, which in turn was replaced by one of complancency. Today there is an entirely new spirit in vogue, that is, to get excited when reports of frontier incidents appear in the papers. This is best evidenced by the reception of the alarmist reports concerning Tibet, Sinkiang and Yunnan. The paper points out that these reports are circulated by interested Powers and Chinese people should remain clam towards them, lest they be played into the hands of the Imperialist Powers.

Commenting on the Government's campaign against the Communists in Kiangsi, the *Central China Daily News* on June 23 notes:

"Political reforms are a much better means of suppressing the Reds than military campaigns. Where corrupt administrations are in evidence, the Communists immediately seize the opportunity to establish their influence. Now the Reds are taking advantage of the corrupt administration in Szechuen and Kweichow to implant their influence there. Unless the Szechuen and Kweichow authorities take immediate measures for administrative reforms in order to win the support of the people we shall soon see these two provinces fall into the hands of the Reds."

Japanese Army Admits Breakdown of Manchurian Administration

Grave charges of Japanese mal-administration in Manchukuo are commencing to be heard in Tokyo, according to the *North Ching Daily News* correspondent, who is a Japanese. Writing June 20, he says in many districts the inhabitants of the new empire are said to be in a state bordering on terror. Thousands of hard-working farmers and small merchants are resorting to brigandage in an effort to escape from an intolerable situation.

These charges and others even more sensational are not the rantings of discontented Chinese or of anti-Japanese propagandists, but they constitute the findings of high officers in the army who are checking up on the situation in Manchukuo. The last persons from whom, at one time, anyone could expect criticism of Manchukuo and the first to resent any disparaging remarks, the army men today are the most outspoken and the first to find fault with conditions in the new empire. What is more they are not sparing their brothers in arms who are supposed to be running things in Manchukuo.Most of the charges are made by high officers just back from tours of inspection. The fact that their views are being given publicity indicates two things. First, the spread of liberalism and the ascendancy even in the army of the moderate and broad-minded elements. A year ago no one of importance least of all an army man, would say a word against anything in Manchuria and if he did the public would not stand for it. Even to-day the civilians are unduly careful in what they write and say regarding Manchukuo.

Second, the earnest desire of the army leaders in Tokyo is to bring peace, order and prosperity of the new empire even at the cost of the army's prestige. Many influential army men in Tokyo are convinced that there is something radically wrong with the whole system of affairs in Manchukuo as well as with those who are trying to put the system into operation. Unfortunately, say these men, it is too late to change the system. The problem now, therefore, is to weed out the inefficient elements.

The main criticism, it is pointed out, is that the Japanese insist on the principle of equality in enlisting Manchurians for government posts and as officials of private concerns, but, in fact, do not accord any power or rights to them. True, the Manchurians admit that if actual control were vested in their nationals, there would be bribery and graft, but they feel that this evil could be controlled and gradually uprooted. Because of the insistence of the Japanese in putting and end to Chinese political and business methods overnight, they are inviting the much worse evil of stirring up hatred, it is charged. At present all Manchukuo officials are puppets and they resent this.

Armed Immigrants Prove to Be Nuisances

Perhaps the most damaging accusations against the Japanese has to do with the conduct of the armed immigrants Japan sent last year. Two groups of 500 men or a total of 1,000 were dispatched to colonize areas far to the north of Harbin. These were "model" men, selected by village heads, town-masters and mayors in Japan at the request of the Colonial Department. They were sent on the understanding that two years later, they would be joined by their womenfolk and children. It was thought that model men would behave without women for two years. Model men undoubtedly would. What the officials did not know about the men they shipped to Manchuria was the sad fact that many villages and towns had utilized the offer, made to them in good faith, to rid their districts of young trouble-makers. Scores of reds, radicals, thieves and other pernicious and depraved elements were provided with enviable recommendations and sent to Manchukuo. Within a few months the Colonial Office commenced hearing complaints of the most serious nature. Alarmed, they decided to recall all undesirable settlers. Scores of young Chinese girls in the villages near by had been seduced. But the investigators discovered that hundreds of the settlers would have to be shipped back if a stop was to be put to the disgraceful condition. Represented to them as model young men, the Manchurians had placed their trust in the immigrants. Having been betrayed in the most shameful manner, there is to-day a bitterness in the hearts of these simple people which nothing will enable them to forget.

Bandits Wreck C. E. R. Train—Engine Driver Killed

Attacked by bandits about 28 miles east of Imienpo while proceeding west on the afternoon of June 23, a Chinese Eastern Railway freight train was wrecked, the driver killed and five others wounded. The attack occurred at 9.15 p.m. Spikes from the rail ties had been removed by the bandits and the freighter, which was travelling at a fair rate of speed, ran off the tracks, the locomotive and four of the cars being smashed. At the same time, the bandits, who were in ambush nearby on both sides of the track, opened fire on the train crew. Four of them were wounded while the engine driver was killed. After thoroughly looting the train, the bandits made their getaway, taking with them as hostages the uninjured members of the train crew.

While running between Hengtaohotzu-Sanshin on the Eastern Line of the Chinese Eastern Railway, freight train number 52 was derailed, overturned and looted by bandits about 6.50 on the morning of June 17.

The Mori detachment, which has been engaged in a bandit drive near Lishuchen suffered one killed and other wounded June 16, when it clashed with about two hundred bandits near Piangyangchen. The bandits were driven back in an hour.

Five Japanese soldiers were killed and three more wounded in a severe clash with a large body of bandits three miles west of Nanhutou at about 1 p. m. June 9. The bandits were dispersed after three hours of heavy fighting. At the time of the attack, the Japanese soldiers were acting as an armed escort for a party of 50 students and eight teachers who were returning to Chingpe College from Tungpei. The wounded men received treatment on board a motor-boat on the shore of Chingpe Lake, near the scene of the encounter.

The Korean Garrison announced at Seoul June 11 that a Japanese military unit clashed with a force of 100 bandits near Hsiaolioutaokou the previous day and that, although re-enforcements were sent immediately, four Japanese were killed and five others were wounded. The soldiers are still pursuing the outlaws

Ashes of Thirty Soldiers Killed by Bandits Taken to Japan

The ashes of thirty Japanese soldiers killed in fights with bandits, were landed at Kobe from aboard the O. S. K. liner *Fusomaru* June 19.

Japanese Fishermen Immigrate to Sungari River

A party of 12 Japanese fishermen immigrants to the Sungari River arrived at Fuchin June 9. It is understood the immigration of the fishermen was engineered by Kozui Otani. The party, which consists of picked men from various parts of Japan, started work as soon as the ice melted. They are said to possess special fishing nets for use on rivers.

Chinese Emigration to Manchuria Increases

A total of 31,148 coolies, 27,905 males and 3,243 females, arrived in Dairen from China during May, while 12,535 coolies, 11,116 males and 1,420 females, left during the same month, according to the Dairen Marine Bureau of the Kwantung Government. Compared with totals for May 1933, arrivals increased by 7,939 and departures by 1,815.

Manchukuo Garrison Revolts

A section of tha Manchukuo garrison at Madershanchan, on the eastern line of the Chinese Eastern Railway, recently revolted. A battle was fought between the mutineers and those troops who remained loyal during which both sides registered several losses. Seven of the mutineers succeeded in escaping to the hills fully armed and equipped.

Manchukuo, with the exception of Hsingan Province, will be divided into five military districts under plans for the reorganization of the military system in the country, which was begun in April and will be realized in July. Each district, comprising two to three regions, will be provided with one or two brigades, simple or mixed. There will be 11 regions.

The first grand military maneuvers of Manchukuo will be held in a suburb of Changchun in October this year, it was announced in Changchun June 20. About 10,000 officers and men of the Hsinking, Kirin and Mukden corps will participate.

Plans for the new $2,500,000 State Council Building projected at Shuntien Squaure in Changchun have been completed by the Construction and Repairs Section of the Supply Bureau of the General Affairs Board. The structure will have a ground floor space of 36,000 square feet and will be built after the model of the Kwantung Army Headquarters building, which is nearing completion. The structure is scheduled to be completed in June 1936.

Manchukuo River Boats, Built in Japan, Reassembled at Harbin

Two 270-ton river gunboats, constructed at the Harima Dockyard at Kobe, Japan, and later dismantled for transportation, are being reassembled at Harbin, the Manchukuo Department of National Defence announced June 22. When completed by the end of July, they will bring the number of war vessels in the Manchukuo fleet to 11, as provided for by departmental plans.

Japanese Foreign Office Official to Investigate Exterritoriality

Shigeru Kuriyama, chief of the treaty bureau of the Japanese foreign office, arrived in Dairen June 23 on the first stage of an extensive inspection tour through Manchukuo and north China. Interviewed by newspaper reporters, Mr. Kuriyama declared that he would investigate the possibilities for the rendition of Japanese extra-territorial rights in Manchukuo.

Prof. Nicholas Roerich, a noted artist and cultural leader who is the director of the Roerich Museum in New York, was received into audience by Emperor Kangte at the Imperial Palace in Hsinking, June 21. In behalf of the board of trustees of the museum, Prof. Roerich presented the Emperor an insignia of first class of Roerich Museum, together with a banner of peace.

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Prof. Ernst B. Price, of the Walter Hines Page School of International Relations, Johns Hopkins University, arrived in Dairen this week on an four months' investigation trip in Manchukuo. He is collecting materials for a book, Mr. Price was formerly in the American consular service in China.

Japanese Investments Increase Greatly

Japanese business investments in Manchukuo have grown, parcticularly since the outbreak of the Manchurian incident, according to the *Japan Advertiser* of June 12. Business promotions and increases in capital by Japanese during 1933 totaled about Yen 440,000,000, which was twentyfold that in 1932, when the total was only Yen 21,000,000. Paid-up capital in 1933 reached Yen 182,000,000, against Yen 7,000,000 in 1931, according to the Bank of Chosen. This was due in large part to the Yen 360,000,000 capital boost of the South Manchuria Railway. The 1933 investments in Manchukuo by Japanese, according to the Bank of Japan, exceeded Yen 460,000,000, contrasted to Japan Proper's total of Yen 639,000,000. Japanese investments there during the first quarter of the year came to Yen 36,000,000. Since 1927 these investment totals follow: 1927, Yen 39,000,000; none in 1928; 1929, Yen 53,000,000; none in 1930; Yen 20,000,000 in 1931, the year of the Manchurian incident; 1932, Yen 41,000,000 and 1933, Yen 461,000,000.

The Japan-Manchukuo Business Society, Tokyo, has announced that the number of banks and other companies, each capitalized at more than Yen 50,000, established to date since the Manchurian incident broke out is 141, having capital aggregating Yen 387,081,000, with paid-up capital of Yen 256,000,000. The society further reports there are 30 business institutions with an aggregate capitalization of Yen 118,250,000 planning to be established.

C.E.R. Budget to Be Considerably Reduced

The C.E.R. budget for the next fiscal year, now being studied by the Soviet and Manchukuo members of the Board of Directors will be considerably reduced in comparison with that of last year, owing to the revenue of the Railway having dropped 2,000,000 gold roubles because of the opening of the Lafa-Harbin line.

No Cause for War with Soviets, Says General Hishikari

Despite the warlike preparations in Siberia there is at present absolutely no cause for war between Soviet Russia and Japan, according to a statement made to *Reuter* by General Takashi Hishikari, commander-in-chief of the Kwantung Army at Dairen June 21. "No problem is too difficult for a peaceful solution, but it is most unfortunate that the world press continues to stress the possibility of war breaking out between Russia and Japan," he declared. "Japan," continued General Hishikari, "has her hands fully occupied in Manchukuo and has not the time to even think of military affairs. The Japanese policy is based on negotiation and conciliation." The Kwantung Army chief declared that the purpose of Russia's recent military demonstrations had not been revealed to him, but it was possible that they were carried out for the purpose of discrediting Japan in the eyes of the world as a menace against whom a formidable army was necessary.

A recent *Rengo* message from Changchun stated that, taking advantage of the vaguenes of the boundary-line between Soviet territory and Manchukuo in the southern area of Manchuli the Soviets have massed troops in that region since February. The Soviets have organized a border guard garrison and since late in March Red troops have overrun Manchukuo territory to points about 20 Japanese li within, and occupied several strategic positions along the south-western border line. The inhabitants of Inner Mongolia, menaced by the military strength of the Soviets, are (according to *Rengo*) expressing a desire that Japan should establish a garrison in this region for their protection.

Soviets to Purchase Warships from France

The Soviets have decided to order from France four 5,000-ton cruisers and four destroyers—a sequel to the recent visit of a Soviet naval naval mission to Brest and Toulon, a recent *Reuter* message from Helsingfors stated.

"Izvestia" Points Out That "Society of Friends" Had Japanese Origin

Commenting on a report published in the Japanese newspaper *Asahi* and reprinted in other Japanese newspapers, alleging that during the examination of a leader of the "Society of Friends of the U.S.S.R.," who had been arrested, it was ascertained that an official of the Soviet Embassy in Tokyo had been assisting the Communist movement in Japan, *Izvestia* writes:

"The absurdity of this latest anti-Soviet campaign of Japanese newspapers, calculated to aggravate relations between the U.S.S.R. and Japan, is obvious without any comments. This new anti-Soviet campaign of Japanese newspapers cannot be explained otherwise, than by the entirely conscious desire to provoke the Japanese public opinion against the Soviet Embassy and the U.S.S.R. The newspaper *Asahi* and, moreover, the representatives of the Japanese Ministry of Foreign Affairs know perfectly well that the 'Society of Friends of the U.S.S.R.' was organised in 1931 at the initiative of the Japanese writer Akita, the literary critic Hasagawa, the artist Tsuda, and other progressive men of art and science; the society existed entirely legally and quite openly published a magazine, 'Friends of the U.S.S.R.,' which was spreading impartial information on the constructive work in the U.S.S.R."

Japanese Agitators Raise Rumpus at Soviet Embassy

Six men, so-called members of the executive committee of the "Nitto Gikai," a reactionary organ, visited the Soviet Embassy in Tokyo Azabu, at about 3 p.m. June 11 and requested an interivew with Ambassador Youreneff for the purpose of handing over a protest against alleged Soviet illegal attacks upon a Japanese consulate office and steamers. They were taken into the drawing room. Kept waiting for a long time they lost their patience and behaved rudely, throwing chairs and other furnitures at hand. On the receipt of this report, some 10 policemen rushed to the Embassy from the Toriizaka Police Station, and with the aid of members of the Embassy, arrested all six men. They were taken to the Toriizaka Station and were examined before being released five hours later. In order to prevent the recurrence of similar cases, the police authorities have decided to take stricter precautions than ever for the Soviet Embassy,

Japanese Say General Bluecher Has Been Reappointed

According to Japanese reports, General Blucher, who had been recalled to Moscow, was reappointed last week to his previous post in Far Eastern Siberia, as the supreme commander of Soviet Army there. His strong advocacy of war, according to the same report, is said to have moved the high authorities in Moscow to decide upon his reappointment. Leaving Moscow in the first part of June, he has inspected the army and air forces at Dauria, Makawev and Chita. He left Dauria on June 16 and is said to be proceeding toward Khavarosvsk the headquarter base of his army.

A *Tass* report from Moscow June 2 stated that the report of *Rengo* Agency alleging that maneuvers of Soviet naval forces with the participation of submarines torpedo-boats and seaplanes are being carried out in the Vladivostok area, represents a pure fabrication.

The Central Exective Committee of the USSR has issued a decree ordering the abolition of the Revolutionary Military Council of the USSR and of the Board (Collegium) of the People's Commissariat of War and Navy. The latter has been renamed the Commissariat of Defence of the Soviet Union. Gamarnik and Tuhachevsky have been appointed assistants to the People's Commissar of Defence. *Izvestia* says this change emphasizes the fact that the entire military system of the U. S. S. R. is destined for defence, excluding any intention of aggression, attack, or military expansion.

New Railway Line in Siberia

The surveying work has been started for the construction of a new Soviet railway line, 400 kilometers long, which which will link the Khingan-Bureya metallurgical plant, now under construction, with the Ussuri Railway.

The Soviet oil prospecting expedition has commenced its work on the western coast of Kamchatka.

A recent *Tass* message from Moscow states that more than 9,700 newspapers with an aggregate circulation of 36,000,000 copies were published in the USSR in 1933, as against only 6,500 newspapers in 1932. In Tzarist Russia 859 newspapers were published and their total circulation amounted to about 2,700,000 copies.

Soviets Send Former Ambassador to Turkey to Germany

A decree of the Central Executive Committee of the U.S.S.R. has been published, relieving the Soviet Ambasasdor to Germany, L. Hinchuk, of his duties, and appointing as his successor, Mr. Suritz, until now the Soviet Ambassador to Turkey.

The resignation of the German Ambassador to the U. S. S. R., Mr. Nadolny, attracts great attention of the Turkish press. The Istambul newspaper "*Milliet* writes: "The domestic and foreign policies of the Nazis have collapsed". In the newspaper's opinion, everybody in Germany hoped that Nadolny would succeed in settling the Soviet-German relations. This hope was further strengthened by the appointment of Mr. Suritz, as the new Soviet Ambassador to Berlin.

Soviets Refuse to Vise Passports

Refusal of the Soviet Consulate-General in Tokyo to vise the passport of Suketaro Tanakmaru, Director of the Nichiro Fishing Industry Co., who was scheduled to leave Tokyo for Moscow June 25 to attend the proposed Soviet-Japanese talks on the yen-ruble exchange rate caused him to postpone his departure. No explanation was made by the Soviet Consulate-General for its action. Soviet representatives also refused to vise the passport of a representative of Salc and Company, British-controlled firm and sales agency for the Japanese Nichiro Fishing Co., who is now visiting in Japon, for a proposed investigation trip in Kamchatka.

Shantung Gives Military Training to Students

The Shantung Provincial Department of Education is making special efforts to further military training among the students in the province during the summer vacation. According to the plans of the Department, with the exception of the graduating students, all students of senior middle schools in Shantung province must concentrate at Itu, eastern Shantung, this summer, to receive extra training. Later, however, it was announced that in view of the fact that the district of Itu cannot accommodate all the middle school students who are to receive special military training during the summer vacation, the Shantung Provincial Department of Education had decided to assign Tsinan, the provincial capital, Yenchow, southern Shantung, as well as Itu, as centres for training.

Joint examinations for the graduating students of both middle and normal schools in Hupeh province were held simultaneously in Hankow in five centers June 22. More than 2,000 students are sitting for the tests.

The Tientsin *Ta Kung Pao* comments:—"We know that not one in every 10,000 people in China is able to go to college. This shows how heavy and important are the responsibilities of those who have had the privilege of a college education. It would seem that our graduates this year will pursue different paths since they will no doubt enter various fields of work according to their respective lines of training in college, but as a matter of fact, they should have one common objective, namely, to work for the welfare of China. We do not want every Chinese to participate in political activities, but we do hope that those who have received the benefit of a college education, will take some interest in national affairs during their spare time and that the various classes of people will exert themselves in the cause of national reconstruction, each trying his best to advance the welfare of society."

Increase of Chinese and Japanese Students in the United States

A marked increase in the number of Japanese and Chinese students in the United States was noted during the past year, according to a survey recently issued by the American Council, Institute of Pacific Relations. After dropping below the thousand mark during 1932-33, the total registration advanced sharply, with a total of 1,101 Chinese and 1,526 Japanese registered in American colleges and universities for the present period. The Chinese figures, compiled by the Committee on Friendly Relations, includes some 250 American students of the Chinese race, while in the Japanese total are 600 in the Continental United States and Hawaii. The Japanese figure is the highest in more than a decade. The sudden increase this year is explained, in part, by the fact that the restrictions imposed by the United States Bureau of Immigration in 1931 on wage-earning employment of foreign students were subsequently modified so as to bear less harshly on students already in the country. Another factor in the Oriental increase is that many of these youths, unable to find employment, reenrolled as students.

The decrease in Chinese registration in 1931, when the figure was 820—the lowest in 12 years—is attributed to the drop in foreign exchange value of Chinese currency; the discouragement of foreign study because of unemployment in the United States, and the rise of nationalism in China.

Chinese Officials, Found Guilty of Corruption, Are Punished

Decision in the impeachment case against Huang Tsung-kan, District Magistrate of Pinglu, Shansi, and Feng Sheng-kang, Chief of the Militia at Pinglu, has been rendered by the Committee for the Disciplinary Punishment of Public Functionaries. Messrs. Huang and Feng were found guilty of corruption, acceptance of bribes, violation of law, extortion from the people, dereliction in official duty and molestation of the people. Mr. Huang is to be dismissed from his post immediately, and suspended from public service for a period of one year. Mr. Feng is to be given one demerit.

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The Sino-Japanese Through Railway Service Agreement---Its Validity and Consequences

BY C. Y. W. MENG (孟昭泳)

THE much talked of and discussed issue about the opening of through railway service between Peiping and Mukden—or to put it in other words, between China and "Manchukuo", the Japanese puppet state—will be settled when the service is opened July 1. Yin Tung, the managing-director of the Peiping-Liaoning Railway, is to be congratulated for his remarkable ability and untiring efforts in bringing about a successful settlement of this pending issue with the Japanese! For the past several weeks, Mr. Yin has been travelling from Peiping to Nanking, to Shanghai, to Dairen, to Tientsin, to have secret "talks", "conferences" with government officials, the representatives of S.M.R. (South Manchurian Railway) and the Japanese Kwangtung Army. His movements were kept secret. Some time last month, he came down to the Capital and paid a visit to General Huang Fu, Chairman of the Political Affairs Readjustment Committee in Peiping, now in Shanghai and the high officials in the Ministry of Railways, apparently for the purpose of making a report to the government officials. On May 15, members of the C.E.C. (Central Exeeutive Committee of the Kuomintang) held an important meeting to have a thorough disussion of the issue. After that, Mr. Yin departed at the beginning of June for Shanghai, and from there for Dairen, where he continued to have the "final" discussion with Col. Shibayama and other Japanese representatives, with the S.M.C., the Japanese Tourist Bureau, and the Japanese Kwantung Army. After that, Mr. Yin departed for Tientsin and paid a visit to Gen. Yu Hsueh-chung, Chairman of the Hopei Provincial Government.

According to report, there will be a "third party" to be in charge of the traffic and management of Peiping-Mukden service. It is now very certain that China will be represented by the China Travel Service, and the Japanese by the Japan Tourist Bureau. Some sort of organization is to be formed, but the exact nature of same is at present much disputed by both parties and is variously reported, such as "International Travel Bureau," "Sino-Japanese Travel Bureau," with a general office in Tientsin and branch offices in Peiping and Muken, and "Hopei-Liaoning Travel Bureau", the last one being suggested by the Chinese just to avoid the awkward name of being an "international" or a "Sino-Japanese" service. It is said that the Ministry of Railways will send one official to the new organization.

The capital for such undertaking is said to be $1,000,000, to be borne by the Chinese and Japanese constituents of the office, the post of general manager of the "Third Party" traffice office would be held by a Chinese whose appointment would be subject to the approval of the Ministry of Railway, and the assistant general-manger would be a Japanese, and both Chinese and Japanese would have an equal number of directors. But it is said that the China Travel Service is only able to put up $50,000, and undoubtedly, the rest would be put up by the Peiping-Liaoning Railway Administration under instructions from the Ministry of Railways, or paid by the Ministry of Railways in the form of a subsidy to the China Travel Service.

Joint Service to Open July 1

According to further report, unless some unforeseen obstacle should happen, the opening of the service will be on July 1. The formal "Agreement" was to be signed and made public on June 28. Mr. Yin would issue a "statement" giving a detailed review of the negotiations, with a view to giving more light about the truth of the negotiations to the people, his statement, it is learned, being divided into three parts, consisting of the following points:

1. The opening of the railway service between Peiping and Mukden is based on the principles of international law, to develop the means of international communications.
2. The agreement which has been reached is in accordance with the "non-recognition" principle of the Central Government, and
3. Lastly, a short personal account of the negotiations.

According to another report, after the opening of the railway service, the opening of postal facilities, customs stations, etc., would be settled in turn; the former to be settled somewhat along the line of three principles adopted by the Advisory Council of the League of Nations.

In return for the opening of through railway service, China is said to have demanded the abrogation of the Tangku Agreement, concluded a year ago. But the General Staff Office in Tokyo gave a sharp and prompt answer that the abrogation should be conditioned upon the conclusion of a "new treaty," etc.

From the above, it is clear: (1) that the opening of through traffic between Peiping and Mukden, though being much opposed by the Chinese before, is now definitely settled, the formal opening of which is only a matter of time; (2) that the negotiation, or to speak more correctly the "direct negotiation," which has been going on for the past months, and the signing of the "agreement" with the Japanese representatives is with Nanking's express consent, goes without saying; and (3) that such form of settlement by creating a "third party" office, which would be third party in name but under the Japanese full control in fact, is too dangerous to the Chinese—and that it is a "dangerous precedent" can be seen from the fact that the Japanese military authorities have already announced that after the opening of the railway service, it would be immediately followed by the opening of postal facilities. So with many other Sino-Japanese issues!

The Agreement Constitutionally Not Valid

We understand also that the agreement to be signed on June 28 by the representatives of two nations would be treated, as before, as "local matter," that is, without being put before the Legislative Yuan for approval. Some high officials in the Govrenment are said to have already expressed strong opposition to this, pointing out that one of the great troubles with the Chinese is that they never abide themselves to the law, meaning that according the legislative procedure, any treaty or agreement concluded with foreign powers should be submitted to the Legislative Yuan for discussion and approval; but now the signing of the Sino-Japanese railway service agreement is without the knowledge of the Yuan.

That such an agreement as the present Sino-Japanese agreement, relating to through railway service, which has great "to do" with Chinese sovereign rights and national prestige, should never be treated as local matter goes without saying and needs no further explanation by us. Nanking has repeatedly made it clear that the matter of negotiation with foreign powers should be handled only by the Ministry of Foreign Affairs, and that local officials are prohibited from any dealings with the foreign powers. Not only this, both the Chinese constitutions and the well established principles of international law require that ratification of any treaty or agreement concluded with foreign powers by its delegates "by the supreme treaty making power of the state is necessary to its validity." "The necessity of ratification by the state may then be taken as practically undisputed, and the reason for the requirement is one which prevents it from being given as a mere formality." (Hall—International Law p.386) Such right of ratification is real and substantive and no treaty is complete without being ratified.)

The Chinese constitutions, from the very first Provisional Constitution down to the present, also provide that ratification of the treary and agreement concluded with foreign powers by the legislature is necessary. (See Article 35 of the Provisional Constitution promulgated in the First Year of the Republic; Article 25 of the Chinese constitution promulgated in the 3rd Year of the Republic; Article 85 of the Chinese Constitution promulgated in the 12th Year of the Republic.)

Coming down to the nationalist regime, according to the "Outline of Legislative Procedure" (立法程序綱要), adopted by the Standing Committee of the C.E.C. on June 2, 1932 and amended by the same Committee on July 14, 1932, it provides that all bills proposed by the departments of the Government should be submitted to the Legislative Yuan for discussion and approval through their respective higher authorities. Article 1 of the Act Governing the Exercise of Authorities (治权行使之规程), adopted by the 3rd Plenary Session of the 2nd Meeting of the C.E.C. on June 17, 1929, provides that "all bills (including regulations or laws of organizations) relating to finance and treaties having to do with the sovereign rights and other international agreement unless approved by the Legislative Yuan will be void. The Legislative Yuan has the responsibility to bring up an interpellation against the bills which have been promulgated, but without the approval of the Legislative Yuan. Such offices which promulgate bills without first being approved by the Legislative Yuan, will be considered as having gone outside of their duty; while the Legislative Yuan, if it fails to bring up the interpellation is to be considered negligent in its duty." It is sufficiently clear that without the approval of the legislature, no treaty or agreement concluded with foreign powers is valid. We are reminded that one of our strongest arguments to demand the abrogation of the "21 Demands" forced upon China by Japan in 1915 is not so much that the treaty was signed under duress, but rather that the treaty was only signed by Yuan Shih-kai, the then president of China, but was never ratified by the Parliament, so the treaty is ipso facto constitutionally void. The same is true with the "Shanghai Armistice Agreement," the "Tangku Armistice Agreement" and the present Sino-Japanese Agreement over the Thorough Railway Service between Peiping and Mukden!

Tantamount to a de facto Recognition of Manchukuo

Secondly, in our opinion, the signing of the Agreement, and opening of railway service between Peiping and Mukden, the latter being now the territory of Manchukuo, is tantamount to a de facto recognition of Manchukuo by China. According to a reliable report to hand when this article is written (June 23) the Agreement will provide that the passengers on the train from Peiping to Mukden or vice versa will be searched and examined at Shanhaikwan—those going outside of Shanhaikwan to be searched and examined by the Japanese police and Japanese customs inspectors, and those going inside the Great Wall to be searched and examined by the Chinese police and customs inspectors, "just to prevent smuggling and carrying of contraband of war." Both the Chinese and Japanese officials and staff members on the train on duty have to be changed at Shanhaikwan, etc. Under the present arrangement, Shanhaikwan seems to be the "boundary line" between China and Manchukuo.

China has always maintained the idea that the Three Eastern Provinces (Manchuria) and Jehol are now in a "state of military occupation." If that is the case, China should not have any contact with the invaders. But such acts, like the opening of the railway service, permitting the train from Manchukuo territory to reach Peiping, and the Chinese train to enter the Manchukuo territory, with Shanhaikwan as the "boundary line" between them, amount to nothing short of a tacit consent of cession of the occupied territory to the invaders by the parent state. Assuming that such Chinese acts are not sufficient to constitute a de facto recognition of Manchukuo, such acts are at least tanatmount to a recognition of the revolted community as a belligerent by "the state from which the community has revolted." The effect is that the state by its acts puts itself under an obligation to treat the revolted subjects as enemies, but not "rebels" nor "criminals," and that as regards the revolted community, it could automatically enjoy the privileges of law for the purpose of the hostilities in which it has engaged in order to establish its legal independence and, further, it gives the revolted community a ground to demand the recognition from the other foreign powers, other than the state from which it revolted.

Further, as to the relationship between the parent state and the revolted community, the general principles of international law provide:

1. Definitve independence cannot be held to be established, and recognition is consequently not legitimate, so long as a substantial struggle is being maintained by the formerly sovereign state for the recovery of its authority, and that
2. A mere pretension on the part of the formerly sovereign state, or a struggle so inadequate as to offer no reasonable ground for supposing that success may ultimately be obtained, is not enough to keep alive the rights of the state, and so to prevent foreign countries from falling under an obligation to recognize as a state the community claiming to have become one. (Hall—International Law p.108.)

That is to say, China is already at fault in not launching an expedition against Manchukuo. When the "volunteers" are fighting with the Manchukuo forces and the invaders in Manchuria, China should give them every assistance so that they can carry on the fight with the invaders and revolters so as to show to the outside world that some form of struggle exists. But if China is militarily weak and is unable to put up a struggle or to give any assistance to the "volunteers," China at least should not commit such acts, as the opening of thorough train service, etc., which is nothing short of an implicition of an "abandonment of all pretension over the insurgent community by the parent state," and it is "more conclusive evidence of independence than recognition of a revolted province."

Yin Tung, a Diplomat or a Traitor?

Lastly, while the Tangku Agreement which Japan had forced upon China a year ago, indicates that China was militarily defeated, the Sino-Japanese Agreement on the through railway service indicates that China is diplomatically defeated. Since the fatal night of September 18, 1931, when the Japanese invaded and seized Mukden, China has adopted no definite policy to cope with the situation. China's policy is essentially one of "signing of agreements" with the Japanese, hoping that by signing various agreements, they would

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settle the whole situation, taking for granted that the Tsinan Incident was settled by agreement and the Japanese troops were withdrawn at last, the same way of negotiation may be applied to the Manchurian incident. But Japan, unlike China, has adopted a very definite policy since the beginning, such as "adroit diplomacy," "friendship drive policy," the "waterfowl diplomacy", etc., to deal with the arising situation, and Japan has been very successful in her actions.

Secondly, it indicates clearly that while China has an idea of prolonging the present situation, by adopting a policy of procrastination, Japan has decided to settle the Sino-Japanese crisis, as early as possible, so that Japan may turn her whole attention to deal with Russia. So, Japan has been pressing on Nanking for the settlement of various outstanding issues. The settlement of the Peiping and Mukden train service and postal facilities etc. in the very near future will mean the settlement of a large portion of the Sino-Japanese problem, and what is left is the formal recognition of Manchukuo by China and the actual annexation of Manchuria by Japan.

China must be fully aware that if by signing various agreements with Japan, it could have any result in the final abolition of Manchukuo and the withdrawal of Japanese troops from Manchuria, no doubt, every Chinese would agree that more agreements should be signed. But the point is that by signing more and more agreements with the Japanese, it leads more and more near to the formal recognition of Manchukuo by China. So the signing of agreements must be strongly opposed.

The formation of a "third party" to handle the traffice may be a possible solution out of the impasse. But it should be realized that even in the ordinary circumstances and time, in the case of Sino-foreign joint undertakings, the real power is always in the hands of the foreign managers or directors, though the Chinese retain the chairmanship of the management or the board. In the present case, there is no doubt that all powers would be in the hands of the Japanese. The Chinese general manager and other are only "figure heads" or "men who can do no wrong." Worst of all is that the present form of settlement is sure to be repeated in the settlement of other problems, which would ultimately lead to the final recognition of Manchukuo by China—the final aim of the General Staff Office in Tokyo. Such is the disastrous consequence of the present agreement. So Yih Tung, like Li Hang-chang in the Manchu regime, might well be regarded as one of China's great diplomats in that he was able to effect the settlement of many difficult situations; but he might also be regarded as a traitor to the nation, in this that Li agreed to cede Annam to France when China was victorious; and in the case of Yin Tung, he has signed an agreement—surely more to follow—with Japan when such an action is being opposed by the whole nation and is nothing short of a de facto recognition of Manchukuo by China.

Nanking, June 23, 1934.

"Oriental Affairs" Deprived of Postal Facilities

It is reliably reported that *Oriental Affairs*, edited by H. G Woodhead, has been deprived of postal facilities in China. The "banning" of this pro-"Manchukuo" mouthpiece was recently demanded by the Editor of *The People's Tribune* in its issue of May 16. In an article entitled "Extra-Territorial Rights and Responsibilities," the suggestion was made to prosecute the editor and publisher of *Oriental Affairs*, who is of British nationality, under the provisions of a British Order-in-Council, the enforcement of which has a precedent in the ruling of a British Court in Korea, holding that "in criticising the actions of the Government of a country—whatever that Government was—the person enjoying extra-territorial privileges also owed extra-territorial duties, and should be specially careful." It was further held in the same case that the publication of words which tended to excite tumult, disorder, and enmity constituted matter which was calculated to cause trouble between British subjects and the Governments and peoples of certain other nations. Reference to the *People's Tribune* editorial was made in an editorial in the *Review* of June 23.

Redeportation of Indian Agitator Is Confirmed by British Court

The order for deportation from China of Karm Singh, an Indian radical, made by Magistrate I. T. Morris in the British Police Court during the latter part of April, has been confirmed by Judge A. G. Mossop in the British Supreme Court. The Indian admitted that he was charged with returning to China, but pointed out that other men who had been deported had also come back.

"You should have got premission from the Secretary of State before coming back," the judge said, and then added, "I don't know of any Indians who have returned from deportation, but I know of others who have returned and were redeported."

The Indian then begged for leniency, stating that he did not hide upon returning to Hankow and that he had even registered at the consulate. The judge, however, pointed out that it was not within his jurisdiction to allow him to remain in China and confirmed the order for the Indian's deporation.

Some Reflections on the Kuramoto Case

BY PAUL K. WHANG (汪仲芳)

NANKING officialdom must have heaved a great sigh of relief upon the discovery of Kimei Kuramoto, Japanese vice-consul in Nanking, who, lamenting that life in this world was not worthwhile, chose to end his life on Purple Mountain. For five days, from June 8 to June 13, he lived the life of a cave man, calmly awaited the wild beasts to spring upon him and devour him alive. But either because they dared not touch the skin of a citizen of Dai Nippon or because they had not the appetite to taste the flesh of a man coming from a country which has specialized in the art of killing other people, the "inhabitants" of the mountain turned their backs upon him and "laughed" at his folly. After finding that the wild beasts were no man-eaters as many of his own country men are, and that "to starve to death" was too severe an ordeal to go through, he emerged from his hiding place—hence his discovery.

The motive which led Mr. Kuramoto to take this mysterioues course is still to be ascertained. If he should consider himself in disgrace, because his name had not been included in the list of those invited to the banquet given by Chinese Foreign Minister on June 8 at the new Foreign Office Building and also because he was assigned to "look after the baggage" at the time when Japanese Minister Akira Ariyoshi was about to leave the Nanking Railway Station in the same night after the banquet, he could speedily have ended his life by committing hara-kiri. Then why should he go out to the mountain to starve and be eaten by wild beasts? Moreover, if he was determined to die, why should he permit the pains of hunger to overcome his determination? His admissions are really too mysterious to bear a close analysis.

This seeming tragedy at the beginning, unexpectedly turned out to be a farcical comedy in the end, providing a good laugh to the audience, except the Japanese people. Right from the rising of the curtain, the Japanese audience applauded enthusiastically every act of this Japanese gentleman and hailed him a national hero; but when the plot came to the climax, they, instead of laughing and applauding as the rest of the audience did, hissed at him and denounced him a coward and an unworthy citizen of Dai Nippon. Thus as soon as the curtain came down, they lost no time in shipping back this official-actor bag and baggage, so that should he care to re-enact his famous play, he can do so unnoticed and unmolested in his native country.

Providence Saves China from Another Crisis

Providence seems to lend a hand in saving China and her people from another crisis by sparing the life of this worthy Japanese gentleman from the mouths of wild beasts. However, we can not help shuddering at thinking, of the dire consequences which would naturally have followed in case he had been actually devoured by wild beasts or had he chosen some more expedient means to end his life. The mere fact that he had been lost, or found dead, irrespective of the attending circumstances would constitute a sufficient pretext, on which the Japanese Government could take whatever drastic actions it deemed fit. The murder of Nakamura in the autumn of 1931 was utilized by the Japanese militarists to launch their premeditated invasion of Manchuria, and therefore the mysterious missing or death of a Japanese vice-consul in the capital of the Chinese Government would naturally be looked upon as a much bigger event, and would certainly have been seized upon as an opportune moment to start their long contemplated conquest of the wnole of China.

The disappointment to the Japanese officials and people is quite understandable. They have lost a very fine case, on which they could conduct an international propaganda to bring further discredit to China, and by which they could exact greater demands and concessions from the Chinese Government. They were prepared to make mountains out of molehills, and expected to reap a good harvest out of this incident. But when they were just on the point of playing their "game," they found to their great disappointment that the missing Japanese official was not only located but alive. In face of this unexpected turn of events, the Japanese officials, who hitherto assumed very serious-looking faces, had to wear smiles in expressing their thanks to the Chinese Government, while the Japanese people who hitherto clamored for strong action against the Chinese Government had to shut their mouths.

This Kuramoto case shows clearly what a big capital the Japanese can make out of a very little incident. Without giving the Chinese police force sufficient time to make careful investigation of the case, the Japanese Government made strong representations to the Chinese Government and despatched warships to Nanking to prepare for warlike measures. The Japanese people in Nanking and Shanghai even went to the extent of holding mass meetings to urge for better protection of Japanese lives and properties in China. Some of the Japanese newspapers even held the belief that the missing Japanese was a victim of Chinese foul play and criticized the inefficiency of Chinese police force. Why should the Japanese officials and people show such a great concern over the life of a vice-consul, while in their own country premiers and ministers have been frequently assassinated and the assassins have only been punished with light sentences?

The Weak and the Strong

Is it true that the life of a man of a weak country is not worth as much as that of a dog of a strong country? During the Tsinan incident in 1927, Tsai Kung-shu, Commissioner of Foreign Affairs of Shantung province, was brutally murdered by the Japanese soldiers. But the Japanese Government never even bothered itself with the courtesy of expressing a word of regret, notwithstanding the protests of the Chinese Government. Take a recent case for instance. A Chinese student named Yeh Mu-hua was murdered by a group of Japanese students in Nagasaki. The Japanese Government, besides sending a note of regret to the Chinese Legation, did not even try to apprehend the culprits. That China can not send warships to Japan and take strong action will not alter the fact that the Japanese Government is equally responsible for the safe protection of Chinese lives and properties in Japan.

The Chinese officials and people were fully aware of what the Japanese had up their sleeves, and therefore they looked upon the Kuramoto case with great apprehension. For five days, the whole country was literally in a topsy-turvy state, and the atmosphere was overcharged with tenseness and suspense. The Nanking officials, from the Minister of Foreign Affairs down to the police authorities, must have spent many sleepless nights in searching for this missing Japanese vice-consul. House-to-house searches were conducted, and a big reward was offered for his discovery. The government did everything in its power to solve this mystery. Possibly never before did the Chinese Government apply itself so painstakingly in locating the whereabouts of a missing foreign national.

The people were also in a very nervous state. During these five hectic days, the price of government bonds dropped drastically, and the tone of the bond market was very weak, as if a big crisis would occur at any moment. The name of the otherwise unknown Japanese official was on the lips of every one, and the development of the case was closely followed by the public. As soon as the news of his discovery was broadcast, the bond market instantly took a turn upward. That the bond market can be thus affected indicates clearly the uneasiness of the Chinese people toward this case.

Now the incident is happily closed. But the threat of the Japanese Government and the uneasiness of Chinese officials and people remain. Who can say that there will not be a second Kuramoto in future? How can we check up on the movements of an individual Japanese whose whereabouts is even unknown to their family members? How can we prevent the dissatisfied Japanese officials and people from committing suicide? Unless a Chinese policeman can be assigned to watch every Japanese resident in China, the Chinese police force, no matter how efficient it is, can not be expected to tell outright the whereabouts of any missing Japanese.

Thus we are constantly in danger of Japanese threats. It must be remembered that the Japanese, in order to seek a pretext for taking drastic actions against the Chinese Government, can use the "ronin" to kidnap or murder the Japanese official or individual and attribute the blame to the Chinese. Again, the Japanese can buy the services of Chinese desperadoes to kidnap or murder the Japanese official or individual. So long as the Japanese Government is always seeking pretenses to force their demands upon the Chinese Government, the Chinese officials and people will be constantly living in a state of suspense and uneasiness.

The Nanking officials, instead of congratulating themselves upon the happy ending of this sensational incident, should prepare themselves for meeting future eventualities. The Kuramoto case has shown clearly how far the Japanese Government would go in holding the Chinese Government responsible for the life of a missing Japanese minor official. While the Japanese may not have been successful in carrying out their threat this time, the poct that the threat remains must be remembered by the Chinese officials.

Shanghai, June 25, 1934.

"Expectancy" Describes Central China Mood

(By the Review's Correspondent at Hankow)

With General Ho Chien of Hunan actually in Canton conferring with the Southern leaders about all important national issues, with General Chang Chun of Hupeh in Nanking sailing down to Nanking with Dr. Lo Wen-kan, Minister of Justice, to confer with General Chiang Kai-shek and other government officials, Central China is in a mood of expectancy. Will Gen. Ho Chien seek to form some sort of a new combination that might possibly have in mind the over-shadowing of Nanking, if not direct and open warfare? Or is he the official middle-man to negotiate peace between the Nanking government and the Southwest Political leaders, General Chen Chi-tang, General Li Tsung-jen, and General Pai Chung-hsi? Will General Ho Chien be ousted from his lovely Hunan province to become the first Pacification Commissioner of Hunan and Hupeh, whatever that position might mean?

Is General Chang Chun, the trusted chairman of Hupeh province and right hand man of Generalissimo Chiang Kai-shek to be transferred to the chairmanship of Hopei province?

The Young Marshal at the Red Front

Since his arrival in Hankow the Young Marshal Chang Hsueh-liang has been conferring with the various military chieftains of this area with the aim in view of coordinating the forces and efforts made to reduce the banditry prevalent in Central China. Having completed his plans, Marshal Chang has left for the front to personally supervise the direction of troops against the enemy. The Reds still hold the following strongholds on the southern Honan border: Shaho, Hsuenhuatien, Liuchiachiao, and are offering stubborn resistance to the government forces. The latest reports state that the Marshal was stationed at Sungfu, and orders had been given to the whole 49th division to proceed to that center. General Ho Chu-kuo of the 57th Army is to be in charge of the new unit. Desirous of freeing the populace of the depredations of the Reds, the government forces are resorting to the use of the Hankow air force. Besides these methods, troops are being brought into this area from southern Fukien province.

Government Courting Ho Lung, Red Leader?

Ho Lung, the notorious Red Commander, who seven weeks ago captured Rev. Howard Smith of the Christian and Missionary Alliance at Pengshui, southeastern Szechuan province has been busy extending the domains of his kingdom in Kweichow, where he has captured and still holds five hsien cities, according to reliable information.

Reds In N.E. Szechuan Growing More Active

Latest reports from the area northwest of Wanhsien would indicate the Red forces there are becoming more active as the summer advances. Indeed our informant, who is well posted, states that the situation if anything is worse than it was a year ago. And at this very moment the Szechuan provincial troops are declaring "a moratorium" and taking a month's rest. Whether General Liu Hsiang will be able to handle the situation remains to be seen. No doubt plans are in the making to block the advance of the Reds, but it seems that the fierceness and swiftness of the Red attacks are matters not easily prognosticated. Then, added to this, the general unrest among the farmers in most Szechuan districts—and you have enough uncertain elements to cause a first class revolution.

Kiangsi Reds to Migrate to Szechuan Border?

Among the many wild rumors that have been given currency here in the Wuhan center is one to the effect that the Reds hard-pressed in Kiangsi, and desirous of expansion, are planning a large scale trek across Kiangsi and Hunan and southern Hupeh in order to join up with the Red forces under Red Commander Ho Lung, who is now on the Szechuan-Kweichow border. However, there does not seem to be any rush at present, since the Reds still occupy several districts in the mountainous region on the border of Fukien-Kiangsi-Kwangtung.

Consul Clubb to Enlist Liu Hsiang's Aid

Flying to Chengtu from Hankow today, the American consul, E. O. Clubb will seek to enlist the services of General Liu Hsiang, chairman of Szechuan province, in effecting the release of Rev. Howard Smith, held captive by Ho Lung.

Summer Resorts Are Planning Conventions

Kuling Convention committee announces that it has secured the services of several able speakers for the Convention Week, July 29 to August. 5. The main speaker will be Dr. P. L. Mellenbruch of Springfield, Ohio, former professor of theology in the Hamma Divinity School and the author of a work on systematic theology. Besides this two China missionaries, Rev. K. L. Reichelt of the Christian Mission to the Buddhists near Hongkong, and Rev. Gardner Tewksbury of Tsingtao, will lecture. Rev. K. L. Reichelt will lecture on Buddhism at the Summer School of Theology two hours a day for four days following the Convention. Kikungshan Convention committee is planning a good program, but the only speaker secured to date is Dr. French Oliver.

Hankow, 25 June, 1934.

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Quaker Oats

Japan, Chahar, and Inner Mongolia

By Harry Paxton Howard

Messages from Nanking, based upon dispatches from Chahar and Inner Mongolia, indicate new military moves by the Japanese there. The Mongol Prince Kuo, member of the Political Affairs Council which holds authority in the new Autonomous Inner Mongolia, reports that the Japanese are making "feverish preparations" for the invasion of the area in question. They have already completed a highway from Linsi, in western Jehol, to Dolonor in Chahar, by which military supplies are being transported to the latter city, which has been in Japanese-"Manchukuo" occupation for more than a year except for the brief period when Fang Chen-wu and his forces captured and held it last summer.

The region of the Silingol League, in northern Chahar, is "directly menaced by the Japanese invasion," states the message. This is easily understood when it is realized that most of this region has been physically cut off from areas under Chinese authority by the advance of Japanese-"Manchukuo" troops into Jehol and parts of Chahar. Prince Kuo's message declares that the Japanese have now "confiscated private arms and disbanded Mongol troops," though he also states that the Mongol cavalry "total no less than 150,000," and if these are "well trained and placed under able generals, it is by no means difficult to resist the encroachment of the Japanese." The message concludes with a plea for funds, Prince Kuo expressing the hope "that adequate provision will be made by the Central Government so as to enable the Mongol troops to strengthen the national defense."

More Money Wanted

Though this message is capable of the cynical interpretation that Prince Kuo and his colleagues simply want some more money, in the same way as General Chen Chi-tang, at all critical moments, inevitably requires more funds from Nanking for "bandit-suppression" or similar objects, there is no doubt of the strength of the Japanese position in Chahar. Furthermore, General Hsiao Chen-ying, member of the Peiping branch of the Military Affairs Commission, confirms the statement regarding Japan's "feverish preparations" for the further invasion of Chahar, and declares that "if concrete measures are not devised by the Central Government to cope with the situation there, something untoward will occur sooner or later."

The position of Chahar is a peculiar one, divided as it is into a southern area still accepting Chinese provincial authority, an eastern and central area under Japanese-"Manchukuo" occupation and *de facto* control, and a northern area (far the largest, though but sparsely populated) under the Autonomous Mongolian Political Affairs Council, in Mongol hands though accepting Nanking's sovereignty. Chahar province itself is a comparatively new one, having been created only in 1929.

Practically all of Chahar was once Mongol territory. In the days of Kublai Khan this great Mongol Emperor, founder of the Yuan Dynasty of China, had his summer capital at Dolonor, now in Japanese hands. Chinese settlers, however, have been steadily penetrating the southern part of Chahar, north of the Great Wall, for many generations. The Manchus themselves, to avoid the possibility of any Mongol menace to Peking, incorporated the territory north to and beyond Dolonor into the province of Chihli ("direct rule") two hundred years ago, so that the map of China at the end of the Manchu Dynasty showed the southern boundary of Mongolia as lying a little to the north of Dolonor. This boundary was by that time, however, approximately the limit of real Mongol territory. To the south of it the Chahar Mongols, though still numerous, had been encroached upon and in many places outnumbered by Chinese colonists.

New Provinces Formed

Shortly after the establishment of the Republic, most of the great area of Chihli lying north of the Wall was divided into the two "special administrative districts" of Jehol and Chahar, into which were incorporated the Mongol areas further north, stretching as far as the Gobi Desert, beyond which lay Outer Mongolia, virtually independent of China. The Inner Mongols, therefore, were brought (most of them for the first time) under Chinese provincial authority, and when the "special administrative districts," slightly altered with regard to boundaries, were transformed into Chinese provinces in 1929, Inner Mongolia disappeared from the map. The new province of Chahar, covering some 70,000 square miles, stretched from purely Chinese territory in the south to the semi-arid plains of the north where Mongol nomads followed their flocks and herds much as they had done for thousands of years, though now under Chinese provincial authority which at times made itself felt and resented.

When the Japanese occupied Jehol early last year, and added its territory to "Manchukuo," some of their forces advanced to Dolonor and further west in Chahar. The Tangku agreement of May 31 last year, as given out by Chinese officials at Peiping, provided that the Chinese would withdraw to regions "west and south of a line connecting Yenching" in Chahar with Lutai near the sea, while the Japanese, "after being satisfied that the Chinese have been withdrawn to the line stipulated," will "voluntarily and completely withdraw to the Great Wall." The Great Wall being fixed as the limit of Japanese withdrawal, they continued to occupy both the area of Hopeh province north of the Wall, and parts of Chahar province east of the Wall, which in the southeastern corner of Chahar roughly parallels the Jehol border at a distance of twenty or twenty-five miles to a point as far north as Tushihkou, almost directly south of Kuyuan. (There are two loops of the Great Wall. The one with which most travelers are acquainted, a few hours by train north of Peiping, is the southern wall, and forms at this point the boundary between Hopeh and Chahar. It is the northern loop, running north into Chahar, which has been accepted by both Chinese and Japanese as the limit of the Japanese occupation.)

Tangku Truce and Chahar

It was widely believed at the time that further clauses were secretly agreed to, though these were only gradually revealed. (A most striking example recently has been the statement from Chinese sources that with the resumption of through railway traffic between Peiping and Mukden the Tangku pact would be "fully implemented," though in the published terms there was no mention whatsoever of railway traffic.) As regards Chahar, some unpublished understanding (whether at Tangku, or with the provincial authorities direct) was shown by the fact that the signing of the Tangku agreement was immediately followed by the unresisted advance, clear across Chahar, of Chinese troops which had gone over to the Japanese when the latter invaded Jehol,—much the same as Chinese "Manchukuo" forces occupied the Luantung area in northeastern Hopeh and demanded—with Japanese support—incorporation in the "Chinese police organs" formed in accordance with the Tangku pact.

In Chahar it was the bandit Liu Kwei-tang, who as one of Tang Yu-lin's generals had promptly gone over to the Japanese and rendered them good service when they entered Jehol, who occupied Kuyuan the beginning of June, immediately after the armistice, and thence moved westward to Changpeh, northwest of Kalgan, and beyond it further to the northwest, cutting the motor road between Kalgan and Urga, on which an auto service had been started in 1917 and in 1932 had over a hundred cars in regular service. Tang Yu-lin, after reorganizing his troops at Fengning, in western Jehol, under Japanese protection, had moved west to Kuyuan. On April 8 his pardon by the Nanking Government (after his turning over Jehol to the Japanese a month previous) was reported, and he was given a Nanking appropriation of $100,000 monthly and appointed commander of the 75th Route Army. When the truce was declared, however, he had gone over to "Manchukuo" again. Tang, the "elder bandit," and Liu, the "younger bandit," represented Chinese forces quite acceptable to the Japanese—for the time being at any rate—somewhat similar to the forces of Li Chi-chun and other bandits in the Luan area, who were largely reorganized into "peace preservation corps" there.

Japanese Announce New Claims

The movement of Chinese volunteer forces, however, against the Japanese and "Manchukuo" forces in Chahar, brought out previously unrevealed details of the Tangku truce. While Feng Yu-hsiang was ostensible leader of the patriot armies in Chahar, his former subordinate Fang Chen-wu was real leader, in the field, of the volunteer forces. This "Anti-Japanese Army" occupied Kuyuan in June, and reached Dolonor early in July—when the city had been in Japanese-"Manchukuo" hands about three months,—taking the city after three days' hard fighting and driving the "Manchukuo" forces over the border into Jehol, practically freeing Chahar from Japanese control for the time being. The Japanese now, while dispatching Japanese infantry to support Tang Yu-lin's forces advancing from Tushihkou to Dolonor, and also dispatching the Matsegi detachment and Mogi cavalry, as well as bombing planes, from the east, officially revealed aspects of the Tangku pact not previously announced. Col. Shibayama, Japanese military attache at Peiping, entered a strong protest against the taking of Dolonor as constituting "a flagrant violation of the Sino-Japanese truce agreement," and reserved the right to take any measures the Japanese deemed proper. A Japanese diplomatic spokesman, upon inquiry, stated officially that Dolonor was included in the line beyond which Chinese troops could not go, while a Changchun report also stated that the Chinese forces had "violated the armistice agreement signed at Tangku."

This, indeed, could be read into the version of the Tangku pact as already given out officially, as Dolonor was considerably north and east of the Wall in Chahar, and even further north and east of Yenching, to the west and south of which Chinese forces had undertaken to withdraw. Further revelations, however, were soon made. The anti-Japanese forces, squeezed in between Tang Yu-lin's and other "Manchukuo" forces, with Japanese support, on the east, and Sung Che-yuan's armies on the south and southwest, were gradually crushed, and fought their way out to the south, reaching Hopeh before they were finally smashed by the combined action of the Japanese and Nanking forces. Sung's forces, however, endeavored to take over some of the territory evacuated by the volunteers, but were checked at several points. Upon occupying Kuyuan, north of Tushihkou, on September 13, they were compelled to evacuate, Japanese planes promptly dropping over Kalgan a protest against "violation of the Tangku Armistice . . . in occupying Kuyuan," threatening to "bomb and destroy Kalgan" if Sung's troops did not withdraw "to the west of the line stipulated in the armistice," which they gave as extending to Lungkwan and Changpeh,—the latter point, some thirty-five miles northwest of Kalgan near the western border of Chahar, having been the western limit of Liu Kwei-tang's unresisted march following the Tangku armistice.

Present Japanese Claims

Whether or not this extension of the line was actually stipulated in the Tangku agreement, it is clear that the Japanese claim not only the area of southeastern Chahar lying directly east of the Wall, but also a zone at least free of Chinese armies (except perhaps such as are wholly acceptable to the Japanese) extending practically across the province, cutting off the Mongol territory in northern Chahar from the Chinese territory in the south, and rendering the Mongol territory in question—occupied by the tribes of the Silingol League—something in the nature of a Japanese protectorate, as Chinese forces are excluded therefrom.

The Japanese have from time to time reiterated their claims in Chahar. They have, however, rid themselves of the bandit Liu Kwei-tang, who, however useful to stab loyal troops in the back in time of war, was a liability rather than an asset when the Japanese were endeavoring to set up a stable administration. Liu, after Fang Chen-wu's departure from Chahar, was reported both to have rejoined "Manchukuo" and to have resumed his loyal allegiance to the Peiping Branch Military Council, which appointed him "Bandit Suppression Commander for Eastern Chahar," granted him an increase of $5,000 monthly, and allowed him to recruit another regiment of troops. Tang Yu-lin moved his residence to Kalgan, was appointed chief councillor to the Chahar provincial government, and on May 2, 1934, was appointed High Advisor to the Peiping Branch Military Council, "in consideration of his past services." The elder and younger bandit, however, had in the meantime fallen out between themselves. In November there was fighting between their respective forces in Chahar, and in December the Japanese decided to eliminate Liu altogether, his bandit proclivities being in no way conducive to the peace and order of the occupied territory. A Japanese-"Manchukuo" force moved inside the Wall, at Tushihkou, for the purpose of driving out the bandits from this area and recreating a zone free from Chinese troops, "in accordance with the terms of the Tangku truce agreement." It was following this that Liu and his bandits moved south through Hopeh, Honan, and other provinces, ravaging the country as they went, with no one—apparently because of Liu's previous Japanese connections—making any serious effort to crush them.

Great Wall as Border

The Japanese have consistently maintained that the Great Wall represented the border of "Manchukuo" in Chahar—certainly in eastern Chahar—as well as in Hopeh. Further northwest they have claimed a zone from which Chinese troops are to be excluded, though in practice this means, it seems, the exclusion of such troops as are unacceptable to them. This zone appears to extend clear across Chahar, taking in most of the territory of the Chahar Mongols, and completely cutting off the Silingol Mongols in northern Chahar. There is no doubt about the Japanese having completed a highway to Dolonor, which place appears to have been incorporated in "Manchukuo," though there have been reports that it constitutes a special "Mongol area." If, therefore, the Japanese decide to annex northern Chahar to "Manchukuo," the only forces that could oppose them are the Mongol forces there. In view of the attitude of Chinese provincial authorities towards the Mongols since the fall of the Manchus, however, and the great disadvantage of the Mongols against modern Japanese forces, it is doubtful if such resistance would be very serious. The Japanese, however, would be more likely to attempt control by negotiation in this area, utilizing pro-Japanese Mongol princes, who are co-operating with them in "Manchukuo," to realize their ends. But such a move might mean not only the Japanization of northern Chahar, now constituting the eastern part of Autonomous Inner Mongolia, but also the alienation from China of northern and western Suiyuan and even eastern Ninghsia, the Mongol areas of which constitute the western part of the autonomous territory. This would mean definite Japanese penetration into China's northwest—another step in Japan's domination of China.

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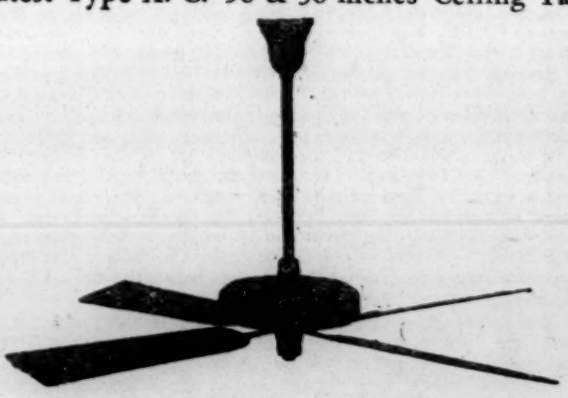

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Britain Renews Demand for Seventy Cruisers

The *Manchester Guardian's* political correspondent says the British Admiralty is reviving its claim for 70 cruisers in order to guarantee the Empire's sea routes. The correspondent points out that a similar demand wrecked the three-Power Conference held in Geneva in 1927 and, at the time, seriously impaired relations between Great Britain and the United States.

At the session of the security committee appointed by the Disarmament Conference, the chairman of the committee, M. Politis made a report at Geneva June 21 on the results of Geneva discussions on the problem of security. M. Politis pointed out that important strides forward have been made in the struggle for security, due to the Soviet proposal regarding the definition of aggressor, the conclusion of London conventions and the Balkan pact.

Japan and China Best Customers for American Arms

Japan was the heaviest purchaser of American arms and munitions during the month of April, with China ranking second, according to U. S. Customs statistics. Japanese purchases of war materials from the United States during the one month totalled U.S.$7,999,528. China, the second largest buyer of munitions, made purchases aggregating U.S.$1,064,831. Third in rank among customers for American arms manufacturers was Bolivia, now at war with Paraguay.

Japanese Torpedo Boats That Are Overarmed

After a searching investigation, the naval committee of inquiry into the disaster to the Japanese torpedoboat *Tomozuru*, which capsized in heavy weather off Nagasaki on March 12 with a loss of over a hundred officers and men, has come to the decision that the tragedy was due to excessive armament, having regard to the size of the vessel, with the result that she lacked stability. The *Tomozuru*, which displaced only 527 tons, carried three five-inch guns, in addition to one of smaller calibre. The committee also reported that the crews' quarters in this class had been sacrificed almost to the limit Five sister-ships have already been completed, namely the *Chidori*, *Hatsukari*, *Nenochi*, *Wakaba*, *Hatsushimo* and *Ariake*, while four are under construction, the *Yugure*, *Shiratsuyu*, *Shigure* and *Murasame*, and three more are to be built. The Navy Ministry has decided that the last three are to be entirely re-planned while the *Tomozurn* and the rest of the *Chidori* class are to be re-designed and re-conditioned to ensure proper stability. These vessels are outside the London Naval Agreement.

Japan Sounds Out the United States

Although Japan has been vociferously demanding naval equality with Britain and America, recent telegrams from Washington mentioned that the United States had intimated to Japan that if such were the real intentions of Japan there would seem to be no reason to hold a Conference. Later telegrams from Washington stated that Mr. Saito the Japanese ambassador, who left Washington this week for Tokyo to spend the summer in conference with Japanese leaders planning measures to stimulate Japanese-Ametican friendship, took the lead in conferences with President Roosevelt and Secretary of State Cordell Hull. During the past month, Mr. Saito had been received by both the President and the Secretary of State on frequent occasions, at which it is understood he informally sought their reaction to the following possible Japanese proposals: Conclusion of a non-aggression pact between Japan and the United States; a declaration of mutural good-will and non-competition, based upon some trade understanding, inauguration of negotiations to settle such problems as the status of Manchukuo, the independence of the Philippines, relations with China, and other questions which might conceivably cause a strain in Japanese-American relations. Mr. Saito's idea is that if political problems between the two countries can be adjusted satisfactorily, the threatened naval rivalry will adjust itself automatically. American leaders are inclined to believe that Japan must offer something feasible and concrete before the United States can seriously consider such proposals.

The French government has accepted the British invitation to attend the preliminary naval disarmament discussions. The French decision to attend the preliminary talks does not imply that she will attend the plenary conference scheduled for next year.

The months of May or June are preferable to the United States, to January as proposed by Great Britain for the holding of the proposed 1935 Naval Limitation Conference, Norman Davis, American Ambassador at-large, told Tsuneo Matsudaira, Japanese Ambassador in London, during their conversations in London last week. Congress is in session in January, Mr. Davis explained.

The Japanese Navy, it is understood, prefers Paris to London, for the holding of the forthcoming Disarmament conference, as its leaders believe that France is more or less "neutral ground" in the matter of naval limitation despite French participation in the talks. The Hague is also being mentioned in Japanese naval and diplomatic circles as a suitable venue.

Japanese official attention is for the moment focused on the progress of the bilateral Anglo-American discussions. A spokesman for the Japanese Navy reiterated in Tokyo June 20 that Japan's policy would not be patterned after that of past disarmament conferences. He cited the reservation appended to Article 23, Part V, of the London Treaty at the instance of Baron Wakatsuki, chief Japanese delegate, which states that none of the provisions of the London treaty "shall prejudice the attitude of any of the High Contracting Parties" at the 1935 conference.

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Turkey and Persia May Form Military Alliance

The Shah of Persia departed from Angora June 20 with Gazi Mustapha Kemal Pasha to visit the military airport at Eskishehr whence he will go to the Sakarya battlefield, where the Turks defeated the Greeks in 1922, to the Smyrna coastal defences, the Ismid naval base and to other strategical points in western Asia Minor. The two dictators are both soldiers and Angora diplomatic circles believe that the Shah's visit may lead to the conclusion of a military alliance between Turkey and Persia.

Turkish-Persian Relations and the Far East

The *Sin Wen Pao* comments:—"In former years the Turkish authorities blamed the Persian Government for taking sides with the enemies of the Turkish Government and providing them with shelter. The Turkish Government once demanded that the Persians should permit Turkish troops to pass through Persian territory for the suppression of Turkish rebels. As to the relations between Turkey and Iraq, the latter was once Turkish territory. The Turkish Government's attitude towards that country has never been good. Yet their common interests have now driven them together. For their own benefit they have decided to unite under the leadership of the Turkish President, Kemal Pasha.

"When one reviews the situation in the Near East one naturally reflects on the situation on the Pacific Coast, which is still in its dark age. The Japanese Government is pushing ahead with its Continental Policy with the apparent intention of becoming master in the Far East. Japan is also trying to form a political bloc with herself as the leader, but she has adopted an entirely different policy from that of the Near Eastern Powers.. . . . If the Japanese Government could have been friends with China after the establishment of the National Government, if the Tsinan Incident had not happened, if Japan had not interfered with the administration in Manchuria and if Japan had withdrawn her troops from Manchuria Sino-Japanese history would have been entirely different. The removal of Japanese political oppression from China would at once fill the Chinese people with gratitude for Japan and they would naturally think that Japan is the best friend of China.

Again, if Japan had approached Soviet Russia for the formation of a triple alliance between China, Japan and Soviet Russia, peace in the Far East would have been assured and Japan's prestige would have been greater than it is to-day. The Powers would look upon on Japan with respect instead of despising her. Instead of following this policy Japan decided to invade China and capture Manchuria. The Chinese millions will never forget what Japan has done to China. Japan wishes to form a political bloc in the Far East, but she is working in the opposite direction. Strictly speaking China and Japan have common culture and religious faith. There is a strong possibility for these two countries to befriends with each other as Turkey and Persia are doing to-day. But Japan has spoiled all the possibilities."

Hitler and Von Papen Have Heart-to-Heart Talk

A threatened crisis in the German Cabinet was averted last week by a heart-to-heart talk between Chancellor Adolf Hitler and the Vice-Chancellor and Commissioner for Prussia, Herr Franz von Papen. It was finally agreed that a speech recently made by Herr von Papen criticizing the Nazi regime, which was suppressed by the Minister of Propaganda—seeing that the speech had been delivered before a select circle of individuals—was not suited for publication in the general press.

The German Government June 16 announced its intention to "fight fire with fire" and take drastic retaliatory measures against Great Britain if the British Government persists in its threats to establish a clearing house in London for German debts. A Berlin official communique hinted also that Britain was attempting to exert pressure upon Germany and declared that the Government would refuse to enter into negotiations for a settlement of the question while under pressure or threat of a forced clearing house, which would deduct amounts due to Britain under the Dawes and Young loatss from money due for German products.

China was elected June 23 to fill one of the eight non-permanent seats in the Board of the International Labor office in Geneva. Other countries selected were Spain, Poland, Finland, the Argentine, Czecho-Slovakia, Brazil and Mexico.

The French government June 22 drafted measures for recovering the interest on the Dawes and Young loans. It intends to enforce them if no agreement is reached with Germany by July 1 for a continuance of transfer payments.

The German Government June 23 agreed to the offer of the British Government to enter into negotiations with a view to reaching a settlement in connection with the question of the Reich's foreign debts.

T. V. Soong's Proposals Adopted by N.E.C.

The ninth meeting of the Standing Committee of the National Economic Council was held in Nanking June 22 under the chairmanship of President Wang Ching-wei, and with General Chiang Kai-shek, Minister H. H. Kung and T. V. Soong in attendance. President Sun Fo was unable to be present as he had to preside at the regular weekly meeting of the Legislative Yuan. Mr. Soong made a detailed report on the results of his recent tour of the North-west, with reference special to water conservancy, highway construction, public health and rural reconstruction.

Mr. Soong's Proposal Adopted

T. V. Soong recommended revision of the Council's original plans for the development of the Northwest. Mr. Soong's proposal was unanimously adopted. The proposal was based on the results of his personal inspection in April of the North-western provinces, including Shensi, Kansu, Ninghsia and Chinghai (Kokonor). It recommended that the appropriations originally decided upon by the Council for the development of the North-west during the 23rd fiscal year (July 1, 1934-June 30, 1935) be modified so that $500,000 should be earmarked for irrigation work in Kansu, and $200,000 for Ninghsia. Together with the original estimates for water conservancy in Shensi and Suiyuan—namely, $1,300,000—the total amount to be expended on water conservancy in the four provinces of Kansu, Ninghsia, Shensi and Suiyuan will then be $2 millions, which is $700,000 more than the original estimates. This additional expenditure will be met by allocating $100,000 from the funds set aside for cattle-rearing in the North-west, and $200,000 from the fund earmarked for the North-western cooperative enterprises; the remainder is to be raised through other sources.

The original estimates for construction of the Sian-Lanchow Highway to be increased by $350,000 by allocating $100,000 from the fund originally designated for highway construction in Fukien and $100,000 from the highway transportation fund; the remainder is to be appropriated from the Highway Construction Fund.

With $100,000 transferred from the North-western cattle-rearing fund (amounting originally set at to $400,000), as the balance of $400,000 will be combined with the veterinary and public health fund (amounting to $300,000)—thereby bringing the total to $600,000. Measures for the development of animal husbandry in the North-west are to be devised by the Agricultural Bureau and the Central Field Health Station.

The North-western Rural Cooperative Fund—originally amounting to $400,000, from which $200,000 will be transferred—is to be fixed at $200,000.

Among other proposals adopted, was one from the Cotton Control Committee for the allocation of $150,000 from the Cotton Cultivation and Control Fund for the improvement of cotton spinning and dyeing. This was approved.

The meeting also decided to establish a branch office of the Council in Kiangsi immediately, with Hsiao Shun-chin as director.

According to another resolution adopted, Cheng Chao-ching, technical expert of the Hydraulic Engineering Bureau is to be promoted as Deputy Director of the said Bureau. His post as *Chien-jen* technical expert will be taken by Wang Hu-chen, *Tsien-jen* technical expert and concurrently Chief of the Planning Section of the said Bureau.

The proposal containing measures for highway construction in the North-west was adopted.

On the motion of Minister H. H. Kung, the meeting decided to despatch experts to Shansi immediately to inspect the work of water conservancy in that province.

T. V. Soong to Visit Szechuan

Interviewed, T. V. Soong, announced that he is planning to make a trip to Szechuan next September to investigate possibilities of economic development in that province. Asked when Dr. L. Rajchman, liaison officer on technical co-operation between the League of Nations and China, is returning to China, Mr. Soong said that he has not received any personal report from Dr. Rajchman but according to reports in London papers, apparently he has not decided whether or not to come back to China. Referring to the report that Mr. Monnet, advisor to the N. E. C., has dispatched a secretary to Japan to make arrangements for Sino-Japanese economic co-operation, Mr. Soong emphatically denied the truth of the report. He explained that Mr. Monnet's secretary is returning to America by way of Japan, he having not been entrusted with any mission by the Chinese Government. With regard to the American wheat and cotton loan to China, Mr. Soong stated that the loan will be refunded in five years. Principal payments will begin from the fourth year, he said.

⁂

Chinese Government Places Many Orders in England

The Chinese Government Purchasing Commission at London recently released for publication its Annual Report for the year of 1933. The report was compiled by Dr. C. C. Wang, Director of the Office of the Commission.

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After referring to the re-election of the members of the Commission, the Report states that the general policy of the Commission with regard to purchases remains unchanged. The number of contracts placed by the Commission during the year was 89, involving approximately £300,000. The amount paid on materials including freight, insurance and inspection fees during the year was about £310,000 making a total expenditure since the Commission commenced to operate of approximately £1,060,000.

The most important contracts made during the year were (as collated by *Chekiai*) in round figures :

Rails and Fastenings :	£36,000	for the Ministry of Railways
Train Ferry Dredger :	£8,000	,, ,, ,, ,,
Locomotive Cranes :	£10,500	,, ,, Tientsin-Pukow Railway
Plant for Tsishuyen Power Station :	£16,000	,, ,, National Construction Commission
Radio Station :	£46,000	,, ,, Ministry of Communicatios
Armoured Telephone Cable :	£9,000	,, ,, ,, ,,
High Speed Telegraph Apparatus :	£13,000	,, ,, ,, ,,
Steel Wagons :	£19,500	,, ,, Hangchow-Kiangshan Rly.
Rails & Fastenings :	£57,000	,, ,, ,, ,, ,,
Locomotives :	£30,000	,, ,, ,, ,, ,,
Passenger Car Under frames :	£12,500	,, ,, ,, ,, ,,

The total funds held by the Commission at the end of 1933 amounted to £3,206,503 :3 :6.

The income derived from interest on bank deposits, dividends from investments, together with profits £7,741 :7 :3. realised on investments sold during 1933, amounts to £91,980 :2 :2. The book appreciation of investments held by the Commission at 31st December, 1933, is £61,056 :1 :1.

Beyond the sale of investments at opportune moments, no investment operations have taken place.

Payment of the current instalments of the Indemnity Fund which was due to recommence as on March 1, 1933, was resumed in June, 1933.

The efforts to arrange facilities for the practical training of Chinese students with British firms are being continued with gratifying results. The Commission is also collaborating with the Federation of British Industries in this work.

China May Reduce Duty on Sugar and Rayon

Japanese papers state that contrary to general expectations, the new Chinese tariff is likely to show an increase on Japanese articles. The Tariff Committee at Nanking, according to a recent *Dempo Tsushin* message, has already drafted the new tariff, and the Government intends to enforce it in the middle on July. From the point of view of minimzing smuggling, rates on rayon and sugar will be lowered, but chemicals and others are expected to be raised 2½ to ten per cent., the report states.

Old newspapers used for wrapping purposes will be taxed in Canton as the provincial financial finance department is contemplating a levy of $1 per picul on old newspapers coming from abroad.

China Development Finance Corporation Will Open July 1

The China Development Finance Corporation will be formally inaugurated on July 1.

More Than Seven Million Dollars for Famine Relief Work in China

It was announced recently at the new offices of China Famine Relief U.S.A. Inc., in the United Charities Building, New York, that at the annual meeting of the organization, James M. Speers, president of James McCutcheon & Company, was elected president to succeed Dr. David A. Brown; the Rev. Henry Smith Leiper, formerly active in relief work in China succeeds Dr. Sidney L. Gulick as secretary; and James A. Thomas, for many years head of the British American Tobacco Company in China, was reelected as treasurer.

In a summary of the work for which he has had secretarial responsibility from its inception in 1928, Dr. Gulick, retiring secretary, reported that the organization has raised $2,219,457. On account of favorable exchange this netted more than $7,000,000 in Chinese currency after the payment of all administrative and overhead expenses. Through this generous gift of American friends of China, many hundreds of thousands of lives have been saved in China's stricken provinces.

Communications Conference Is Held at Nanking

Under the auspices of the National Economic Council, a Communications Conference was called at Nanking on June 26. The meeting was attended by representatives from Kiangsu, Chekiang, Anhui, Kiangsi, Hupeh, Hunan and Honan. The main topic of discussion at the meeting concerned measures for effective cooperation in road construction work in said provinces.

General Chen Chi-tang, Commander-in-Chief of the Southern Route Bandit-suppression Forces, has issued strict orders that the three inter-provincial highways leading from Kwangtung to Fukien and Kiangsi be completed within a stated period of one month. General Chen has appropriated a sum of $150,000 to finance the construction work on these roads.

According to an announcement of the Hunan Provincial Department of Reconstruction, omnibus services on the newly completed Pingkiang-Shiushiu Highway, eastern Hunan, will be operated from July 5.

The Administration of the Lung-Hai Railway is now making preparations for the construction of a branch line connecting Tungkwan in Shensi and Shanghsien in Honan.

Negotiations will soon be opened in Canton between the British authorities of the Canton-Kowloon Railway and the representatives of the Ministry of Railways for the revision of the existing Canton-Kowloon railway agreement.

An agreement for a loan of $800,000 from the Four-Province Farmers' Bank (for Honan, Hupeh, Anhwei and Kiangsi) in Hankow for the construction of highways in Chekiang province has been signed by representatives of the Bank and the Chekiang Provincial Department of Reconstruction.

Soldier-labor work in the construction of the long projected Sian-Lanchow (Kansu) Highway was formally initiated June 23 at a ceremony held in Sian in the presence of more than 5,000 officials, representatives of various public organisations and soldiers. General Yang Hu-cheng, Director of the Sian Pacification Headquarters, and Han Wei-hsi, Chief-of-Staff of the Headquarters, spoke on the significance of highway construction by means of soldier-laborers.

Acting upon instructions of the Ministry of Justice, the judicial authorities at Hankow are drafting regulations regarding the employment of convicts on highway construction in Hupeh province. It is understood that beginning from July 1, a number of convicts in the local prisons will be despatched to the construction bureau to be enrolled as laborers. It is further reported that the convicts will be given equal treatment as the other workers regarding wages and food ration. The prison authorities, however, will receive the wages for the convict laborers but will return the same to them upon expiration of their imprisonment terms. The purpose is to save the money for the convicts so as to enable them to start a new life when they shall have completed serving their sentences.

The Ministry of Railways has approved the petition of the Peiping Chamber of Commerce that the Kwanganmen Station in Peiping be made the starting point for through traffic transportation. Orders have accordingly been issued by the Ministry to the Peiping-Suiyuan and Peiping-Hankow Railway Administrations.

In accordance with the resolutions adopted at the recent National Through Traffic Conference, a new time table for through traffic services on the various railways of China will be introduced on July 1, according to an announcement of the Ministry of Railways.

Shantung Asks for Ban on Foreign Wheat

A petition recommending a higher price-level for domestic wheat and enforcement of a ban on foreign wheat so as to relieve the rural depression has been received by the Executive Yuan from the Shantung Provincial Government.

In order to improve the efficiency of the accounting system in the Telegraph Administration, the Ministry of Communications, in a circular order to the various telegraph bureaus throughout the country, announces that beginning from the 23rd fiscal year (July 1, 1934-June 30, 1935) the accountants of the various organs will be directly appointed or removed by the Directorate-General of Budgets, Accounts and Statistics.

A joint meeting of representatives of the Ministries of Railways, Communications and Audit was convened by the Executive Yuan June 21 to devise measures for the establishment of branches of the Ministry of Audit.

Interviewed regarding the financial position of Shantung, Wang Hsiang-yung, Provincial Commissioner of Finance, stated in Tsinan June 21, that no exorbitant levies and miscellaneous taxes are being imposed in the province except the police tax in Chefoo and Lungkow and the vehicle licence tax in Tsinan, which bring an income of $600,000 annually.

The Ministry of Finance, in a recent petition to the Executive Yuan, reported that the Kiangsu Provincial Government has decided to abolish 42 different kinds of exorbitant levies and miscellaneous taxes immediately. The Ministry recommends that an order of commendation be issued by the Yuan.

Overseas Chinese to Exploit Copper Mines in Kiangsu

According to reports received from abroad by the Overseas Affairs Committee, a group of overseas Chinese leaders has raised a considerable amount of capital for the purpose of exploiting the copper mines in Hwang Shan on the Kiangsu-Anhwei border. Shi Lung-hsi, a mining expert who was sent to make an investigation on the spot, discovered copper residues there which indicate that the mines had been exploited during the Ming Dynasty. Mr. Shi, however, was unable to ascertain the amount of copper which can produced in the region.

Plans have been completed by the Tibetan and Mongolian Affairs Committee for the establishment of a Chinese trading company in Inner Mongolia. The capital of the proposed company

is fixed at $1,000,000, to be subscribed by the Mongolian and Tibetan people.

Chen Ti-cheng Provincial Commissioner of Reconstruction of Fukien, has submitted a petition to the Ministry of Foreign Affairs, proposing the exchange of Fukien tea for Russian gasoline.

A petition appealing for the immediate enactment of a Company Registration Law has been submitted to the Legislative Yuan by the Shanghai City Chamber of Commerce In the interests of merchants, it is urged that the Law be drawn up without further delay. In the meanwhile, it is suggested, the views of merchants on the question of the obligations of shareholders of limited companies should be sought and taken into consideration by the Legislative Yuan.

Floods Reported from All Parts of China

Water in the upper reaches of the Yangtsze River is rising rapidly, inundating many districts and villages along both banks of the River.

Considerable alarm is felt by the inhabitants in the Hsuchow area owing to further rise of the Yellow River in the upper reaches. Copious rainfall last week has added to the general anxiety. Special steps are being taken by the Hsuchow authorities to avert a flood.

According to a Sian message, the river embankments at Pingmin, opposite Tungkwan, north-eastern Shensi, have been washed away by the strong currents. The District Magistrate has appealed to the Yellow River Conservancy Board for funds to effect immediate relief.

The Civic Administration Conference for the Hsuchow Area, held in Hsuchow under the leadership of Wang Te-pu, Special Commissioner for the Supervision of Administration, came to a close June 22 after adopting a total of 72 resolutions. It was decided that a telegram be despatched in the name of the Conference to the Yellow River Conservancy Board to recondition the dykes of the Yellow River at Lanfeng, northeastern Honan, in order to prevent floods. Last year part of the flooded water overflowed into the old bed of the Yellow River, inundating a number of districts in North-eastern Kiangsu.

Water in all Hunan rivers is rising rapidly. The Hsiang River had risen to 32 feet, June 20, inundating most of the streets of Changsha near the river. On all motor highways in the vicinity of Changsha traffic is suspended as a result of the flooding of the roads.

The Hsishui River outside Yenping in northern Fukien suddenly overflowed its banks June 19 inundating all the districts on both banks of the River. The floodsubsided on June 22. The outskirts of Foochow were flooded as a result of the Min River overflowing its banks. The region between Nantai and the Foochow City was converted into a vast lake and at lower places water was several feet deep. Communications had to depend on boats.

Continued heavy rains in the various Kwangtung districts are causing anxiety as several river towns in the province are menaced by the rising water level. Reports from Wuchow, Fatshan and Shiuhing, which are situated on the West River, indicate that the situation is fraught with danger. Wuchow's principal streets were flooded last week when the water rose nine feet in 24 hours.

Two persons were drowned and four were reported missing in Hongkong, June 22 following a torrential 24-hour downpour which caused considerable damage. The victims were coolies employed in the waterworks project.

As a result of the incessant rainfall, water in the Kan River overflowed its banks June 20, inundating all villages along both banks of the River. The dyke at Lowei, which is about three miles from Nanchang, collapsed as a result of the constant washing of the waves

Tungliao, city in Mukden province, was under several feet of water June 20 following the breaking of a levee on the banks of the Liao river early in the morning.

Dr. George B. Cressey, who arrived in Shanghai from the United States last week, intends to work in the Yangtsze Delta area for a month collecting information for a series of five or six detailed studies of population and geographic adjustments in line with his recently published book on "China's Geographic Foundations."

An investigation party, consisting of Feng Chih-hsiang, of Central Party Headquarters, Chang Hung, of the Peiping Branch of the Military Affairs Commission, and She Yu, of the Lanchow Pacification Headquarters, arrived in Ninghsia June 19. They inspected the conservancy work on the Yellow River, Han Ho, Chin Ho and Wei Ho (Rivers).

In contrast to the news of floods a recent messages from northern Anhui stated that the continuous drought in that area is causing great anxiety among the farmers and that unless rain falls soon, the aurumn harvest would be affected.

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Viscount Ishii as a Dark Horse in Contest for Premier Post

Viscount Kikujiro Ishii, member of the Privy Council and veteran diplomat, is mentioned as a dark horse in the confused race for premiership which has loomed for more than a month on the assumption that the Saito Cabinet would resign over the scandal involving Hideo Kuroda, former vice-minister, and other high Finance Ministry officials. House of Peers circles were responsible for the latest addition to the list of candidates to the post of next premier. The panel now includes, besides Viscount Ishii, Kitokuro Ikki, president of the Privy Council, General Kazushige Ugaki, governor-general of Korea, Count Keigo Kiyoura, veteran politician and former premier and Baron Kiichiro Hiranuma, vice-president of the Privy Council and leader of the "Kukuonsha," reactionary society. The reappointment of Premier Viscount Makoto, after his resignation has been once accepted by the throne, is also held possible.

A recent *Rengo* message from Tokyo stated that the tension in Japanese political circles increased when it was learned that the report on the scandal involving Hideo Kuroda, former vice-minister of finance, and other high officials of the Ministry of Finance, would shortly be handed to Premier Saito by Matsunichi Koyama, minister of justice. The fate of the Saito cabinet hinges upon this report, the Premier having repeatedly asserted that he would decide whether the government would resign or not over the scandal only after having received "a full and comprehensive report on all phases of the case." Secrecy probably will be maintained regarding the contents of the report, as the case is still "sub-judice" and any revelations might prejudice the course of justice, it was said.

Rengo says that as regards Finance Minister Takahashi's recent declaration in a press interview that he would be the only responsible official in the Cabinet to resign, taking full responsibility for their malfeasance, it is generally expected that his single resignation will not save the fate of Saito Cabinet, because of the fact that, without Mr. Takahashi, it will be almost impossible to remain functioning. Officials in a certain ministry in the Cabinet are quoted as being of the belief that Mr. Takahashi's resignation, which it was believed would materialize either on June 27 or June 28, will ultimately decide the fate of Saito Cabinet and the cabinet will resign enbloc, probably in the beginning of next month, as it is impossible for Premier Saito to obtain a competent person in place of Mr. Takahashi. Attention of interested circles is now centred on the activity of Home Minister Minister Tatsuo Yamanoto, who is reported to be a strong advocate to retain the Cabinet intact by persuading Mr. Takahashi to remain in office.

Mr. Goto, Minister of Agriculture and Forestry, is quoted by the *Osaka Asahi* as saying that he finds it difficult to believe that the ex-high officials of the Department of Justice, who are now undergoing judicial examination, really acted criminally. It sometimes happens, he says, that the misbehavior of those close to a high official leaves on the public an impression that the official himself committed a crime. Mr. Goto is diposed to believe in the personality of the exofficials in disgrace. He does not mean to imply, however, that the procuratorial authorities acted rashly when they prosecuted these officials. They must have had evidence to back them. Such being the case, the Government cannot but watch developments for the moment, before taking any action. It is expected that Dr. Koyama, Minister of Justice, will report, when the facts of the Finance Department affair, if not the whole truth of the entire case, have been established.

Political Instability Affects Budget

The continued uncertainty of the political situation in Tokyo is interfering with the compilation of the new Budget. It is believed that the task of compiling the new Budget presents as formidable difficulties as those which attended the compilation of the budget for the current fiscal year. The much heralded international crisis of 1935-1936 claims serious attention, and the chronic depression of the farming interests gives promise of accentuation. How to meet these dire needs without working havoc with the financial foundations of the country calls for most deliberate study and investigation, according to an article in the *Japan Chronicle* June 12. Yet, the present uneasy political situation is preventing all Departments from giving the necessary amount of attention to the important question of compiling their estimates. Of all items of expenditure for the next fiscal year, the defences expenditure, army and navy, and the relief vote for farmers in distress, in which the Home Office and the Department of Agriculture and Forestry are chiefly concerned, must necessarily claim large sums, and the Departments concerned are eager to see the general lines of budgetry policy fixed by the Government quickly, so that they can start the compilation of their estimates.

A budget of not less than Yen 2,500,000,000 is expected to be demanded by state ministries for the 1935-6 fiscal year. In view of the approaching national emergency period of 1935 and 1936, when Japan's withdrawal from the League takes effect and the Naval disarmament conference expires, both the Army and the Navy will, according to the *United Press*, demand a bigger budget than in previous years. The Accounting Bureau of the Finance Office is studying how to cut the militarists' demand for a huge budget, and it is said that no expenditure for new enterprises will be approved uness they are absolutely necessary.

The business results of commercial and savings banks in Japan for the first half of the year, as a whole have been far from satisfactory. A few leading banks have succeeded in realizing fairly big profits through the disposal of securities in their possession, as well as through the underwriting of new bonds and debentures, but their interest revenue—the major item of income—shows signs of a gradual decrease. The fall of income of small provincial banks, who depend solely on the deposit business, has been especially heavy.

Official Japanese trade agencies aboard will be placed under the control of the Foreign Office so as to eliminate the duplication of work, which is now being carried on by both the Foreign Affairs and Commerce and Industry Ministries, according to a plan being elaborated by officials of the Ministry of Commerce and Industry. All trade commissioners, now under the jurisdiction of the commerce ministry, will be incorporated into the Foreign Service. In exchange, the minister of commerce and industry will retain the right to order these officials as well as commercial attaches to undertake trade surveys. The Foreign Office also will be required to inform the Commerce Ministry of all measures it is planning to take with relation to Japanese foreign trade, and if any negotiations are to be carried on between Foreign Office officials and business men, the Commerce Ministry will ask to be intermediary. A "brain trust" of leading business men and officials will also be established to map out the policy to be pursued by Japan in securing and maintaining world markets.

Foreign Tourists Visit Japan in Increasing Numbers

Showing an increase of 1,841 persons as compared with a corresponding period of last year, 4,133 foreigners visited Japan during the month of April this year. Of these, 926 were Americans, 893 Britishers, 166 Germans, and 1,008 Chinese.

1,286 Japanese Emigrants Sail for Brazil

Undaunted by reports that they might be denied landing upon arrival in Brazil, under the terms of a new constitutional amendment which would limit Japanese immigration to 3,000 persons yearly, 1,286 prospective settlers sailed from Kobe for Santos, Brazil, June 9.

The first shipment of Soviet crude oil, consisting of about 550 tons, is due to arrive at Yokohama from Baku at the end of this month, consigned to Kojima Shoten, a Tokyo firm.

Combined maneuvers of the Sasebo, Maizuru and Chinkai naval bases will take place between June 29 and July 5 on the waters stretching, between the Sea of Japan and northern Kyushu. Twenty warships including the newly-commissioner cruiser *Haruro*, and a number of naval planes are participating in the maneuvers.

Tokyo's first subway running between Asakusa, Tokyo's Coney Island, and Shimbashi at one end of the Ginza, a distance of about 8 kilometers, was opened to business June 21.

The Tokyo Foreign Office announced June 23 that Japanese legations at Bogota, Colombia, and at Kabul, Afghanistan, will open July 1.

Three Held by District Court in Frenchtown Robbery of Canidrome Funds

A large crowd including many students attended the trial of an accused principal of a school, who together with three others was brought up at the Second District Court (French Concession) June 23 in connection with the robbery committed two weeks ago at Seth, Mancell and McLures' office in Avenue Edward VII from which $12,000 (intended for the Canidrome, Frenchtown dog racing establishment) was stolen by four gunmen. After a lengthy hearing, during which three accused, Messrs. Chang Tsu-ming, Djang Chi-meng and Wang You-lien were identified by officers and coolies of the robbers, the trial was postponed *sine die*. The three alleged robbers were remanded in custody while Dr. Tang Ching-yao, Principal of the Dai Deh Midwifery School in Gordon Road, was released on bail. The accused Chang repudiated his alleged confession made at the police station, that he and the other three accused were the robbers. He alleged that he made the confession under coercion and strain. He said that he knew the other three accused and mentioned their occupations. When questioned as to his whereabouts when the crime was committed, Mr. Chang said that he was in the Kiangwan Race Course where he had lost $70. Kao Yu-hsu, a Chinese officer of the victimized firm identified Chang as the gumman who stole $6,000 from him. The money, he said, was in notes issued by the National Industrial Bank.

Whangpoa Harbor to Have 12 Zones

The Kwangtung Provincial Conservancy Board, which has been busily engaged in construction work in Whampoa harbor, has decided to divide the harbor as follows into 12 zones, namely :— A port for the business section, in which warehouses, piers, dockyards and coal yards will be established; a port for the administration section; an industrial section; a handicraft section; a wholesale trade section; retail business section; "first-class" residence section; "second-class" residence section; "third-class residence section; an agricultural zone; amusement places; and a public cemetery.

U. S. Treasury Starts to Purchase Silver

The U. S. Treasury is mapping out plans to purchase nearly 1,300,000,000 additional ounces of the white metal in order to carry out the provisions of the Silver Act. Government authorities hope and believe that the Treasury purchases will result in higher silver prices and such increases will result in stimulation of commodity prices. The Bureau of Engraving and Printing will shortly begin to print a million dollars of new silver currency in five and 10 dollar denominations in order to stimulate use of silver.

The U.S. Treasury announced June 21 that, at least for the present, silver certificates against purchases of silver will be based on the cost price. For example, if $650,000 is paid for 1,000,000 ounces of the white metal, the certificates issued against the purchase will show $650,000. The Treasury has started purchasing silver out of the general fund. Secretary Morgenthau says there will be no set program for silver purchases. "What we want," he says "is a healthy rise in silver prices, not a sensational one, which would be the worst thing that could happen and which would eventually cause a collapse."

Withdrawal of 5,066,443 ounces of silver from the depositories of the Commodity Exchange in New York last week was disclosed June 21. It is believed that the metal was transferred to government vaults as the result of recent Treasury purchases. A total of 97,640,932 ounces of the white metal still remains in the Commodity Exchange's depositories.

The silver question was discussed at length June 23 by T. V. Soong, member of the Standing Committee of the National Economic Commission, during an interview in Shanghai. Mr. Soong said he not think that the new silver legislation in the United States will affect China. He said that he could not understand why there were so many people of the opinion that the rise in the price of silver in America would cause Chinese silver dollars to be shipped to that country. As a matter of fact, Mr. Soong explained, there was not very much silver to be shipped to other countries from China. The former Finance Minister was also rather sceptical about the opinions expressed by local banking circles regarding China's unfavorable international trade, which is said to be partially responsible for the large amount of Chinese silver dollars being shipped to foreign countries. They must take into consideration the enormous sum of money that foreigners had brought to China and the remittances of silvert to China by oversea, Chinese Mr. Soong said.

A Washington message June 21 said that under the provision of the Silver Bill, the Treasury is prepared to enter upon a program of large-scale buying of the white metal. Increasing the nation's monetary reserve of silver to 25 per cent. in proportion to the gold reserve the Treasury may purchaes up to an aggregate amount of 1,300,000,000 ounces, or 40,434 tons of the white metal. In order to avoid speculation by holders of silver stocks, the quantity and date of government purchases will remain a closely guarded secret. The Treasury emphasized that the 50 per cent tax on silver profits provided in the Silver Act applies to all such profits, except those realized in the regular business of furnishing bullion for industrial, professional and artistic use, or when foreign exchange losses are incurred in financial transactions hedged by silver on which a profit was realized. These exceptions are in accord with the Pittman amendment.

Shanghai Municipality Ignores District Court Summons

A conflict between the Shanghai Municipal Council and the First District Court authorities is brewing because the Municipal Police have on three occasions refused to bring before the Court, Long Chu-ying, Chinese detective of the Louza station, who is accused of using third-degree methods against a prisone in custody. The Municipality's attitude is that the Municipal Advocate has proceeded against police in the past when investigation showed that charges were justified. The Settlement authorities have intimated that the charges are not well founded and are of a "frame-up" or other fictitious aspect. Nanking reports speak of the possible appointment of a special investigator from the National Government to investigate the issue. Allegations in the Chinese press that the court summonses against Long were being "ignored" were understood to be untrue, and it is believed that communications between all interested parties have been going on despite the reticence of the foreign side to give its case to the press.

Arabian Treaty Ratified

The Imam of Yemen and Ibn Saud of the Kingdom of Saudi Arabia signed a peace treaty June 19. It maintains the status quo in South Arabia and is therefore greatly in favor of Ibn Saud. who, before hostilities were suspended, had occupied Hodeida, the important Red Sea port held by the Imam, and certain disputed territory. The pact will remain in force 20 years.

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St. Louis Federal Court Says "Gold" Bonds May Be Paid with Paper

The constitutionality of the Act of Congress declaring that it is against public policy to make payments in gold was sustained at St. Louis June 20 by Federal Court Judge Charles B. Faris, in a case brought by the trustees of the Missouri Pacific Railroad, who had petitioned that an outstanding bond issue on May 1, 1933, should be redeemed in gold of the same weight and fineness which prevailed on May 1, 1903, when the issue was made.

President Roosevelt in an address before the Yale Alumni June 20 said that since the entry of brains into the government, politics has been on the wane. The President declared that in the determination of selections for Federal positions the main consideration was the qualification of the applicant, rather than his politics.

Acting in response to an invitation from the Philippine Islands, Vice-President John Nance Garner, June 16, named Senators Millard Tydings, Democrat from Maryland, Carl Hayden from Tennessee and Ernest Gibson, Republican from Vermont to visit the Islands. Their purpose is to look for steps which will speed up the independence procedure.

A typhoid fever epidemic is raging in Chicago, due to sewerage infiltration into the cattle reservoir during the fire at the Stock Yards last month, the water of which was drunk by the thirsty firemen.

Miss Sarah Burke, 55 years of age, formerly confidential secretary to J.W. Harriman, recently convicted banker, committed suicide in New York June 22 by jumping from the upper floor of a skyscraper in Fifth Avenue.

F. J. Reynolds, Vice-President of Armour and Company, Chicago meat packers, committed suicide in the bathroom of his home in Chicage June June 22.

At the directors' meeting of the New York Commodity Exchange June 15, it was decided that the question of the inclusion of Italian and Chinese raw silk on the exchange will be decided on Sept. 6 in the meeting of the special committee.

A Washington message June 20 stated that future passages of the United States Fleet through the Panama Canal will be made as a unit in as speedy time as possible. Secretary of Navy Swanson announced that the fleet will return to its Pacific base about Nov. 1 and remain there for an indefinite period. Transfers of the fleet from one coast to another, either temporarily or permanently, do not include the entire submarine force as apparently both the Atlantic and the Pacific Coasts are being constantly protected by the undersea craft from surprise attacks.

Alleged U. S. War Department Corruption Being Investigated

Evidence regarding Government officers who accepted pay from outside sources are being studied by the committee designated by the House of Representatives to study War Department affairs. Colonel Joseph I. McMullen of the Judge Advocate General's Office, was scheduled to give information June 21 regarding fees he is reported to have received from a commercial concern interested in legislation and government business.

Cigarette Strikers Beat Up Strike-Breaker

A former worker in the B.C.C. Pootung "new" factory, where a strike has been in progress for more than a month, was beaten up last week. The victim, one Yang Tu-keng, was assaulted as a strike breaker by pickets who waylaid him in an alley. He was accused of having operated secretly in the Thorburn Road Factory of the B.C.C. He was formerly employed in the printing and designing room of the "new" factory.

Thirty-seven members of the strike committee held a meeting at Pootung and passed resolutions that further appeals will be made to the Chinese Authorities asking them to enter into negotiations with the management for the issue of wages due to the workers of the No. 1 Factory, and that in connection with a report to the effect that the "New" Factory will resume operation on June 25, the Maintenance Corps and Propaganda Groups be detailed to prevent the workers from resuming on the date and that preparations be made to put up resistance should the management appeal for the assistance of British marines.

A part of the materials in the printing and designing room of the "new" Factory were removed last week to No. 3 Factory, Thorburn Road under the protection of the Chinese Police.

Tobacco Production to Be Curtailed in U. S.

The U.S. Senate June 17 passed the Kerr Bill, providing for a curtailment of the production of tobacco in 1934-35. The measure places a sales tax ranging from 25 to 33-1-3 per cent on all tobacco produced in excess of the agricultural adjustment of the Administration's allotments.

Finance Ministry Says Taxes for Low-Grade Tobacco Will Not Be Decreased

In reply to an inquiry from the Shanghai Chinese Tobacco Merchants Guild, the Internal Revenue Administration states that though a meeting of the Finance Committee of the Legislative Yuan was held June 18 to consider the question of revision of the rates of the Rolled Tobacco Tax, (during which representatives of the Ministry of Finance and the Internal Revenue Administration were also present) no definite decision was reached. In view of the depleted state of the National Treasury, the reply continues, even if the tobacco tax should be readjusted, the rates for rolled tobacco of inferior quality will not be lowered.

Beginning from July 1, the tobacco and wine licence tax is to by collected as local revenue, according to a circular of the Ministry of Finance despatched last week to the Provincial authorities. The stamp tax, however, will continue to be collected as national revenue.

Collection of the Tobacco and Wine Licence Tax in Kiangsu will be formally taken over by the Kiangsu Provincial Government in July, and placed under the jurisdiction of its Business Tax Bureaus. The Finance Bureaus in the various districts of Kiangsu have been abolished, and will not be re-opened in the future.

Manchukuo Raises Tobacco Tax—on Higher Grades Only

Tax rates on higher grades of cigarettes will be almost doubled under the terms of the new Mauchukuo tobacco law which will in come into effect July it. Lower grades cigarettes, bowever, will be practically unaffected. Better grades of cigars will be taxed about 50 percent higher than at present but the lower grades again will not be affected.

General Chiang Orders Stern Measures Against Poppy Growers

General Chiang Kai-shek in a recent order to the Magistrate of Tsuhsien in Hupeh said stern measures should be taken to punish people who oppose the destruction of the opium poppy, General Chiang recently received a telegram from Li Chi-hung, Director of the Opium-suppression Bureau for Hupeh, stating that the people of Tsuhsien are secretly cultivating the poppy.

General Chiang Kai-shek's headquarters at Nanchang last week issued a circular order to the provinces instructing them that the opium traffic must be completely wiped out within six years. General Chiang threatens to mete out severe punishment to those who are still found smoking or selling opium after the six-year limit.

Katsushige Nakatani, a chauffeur in the employ of the Tokyo Blue Bus Company, living at Fuiimicho, Nakano Ward, was arrested June 14 as the ringleader of a gang which for some time has been smuggling opium from Korea and Manchuria. His arrest was made at the request of the police of the Saghalien Government, who hold four members of the gang. Other members of the gang are being sought in Japan, the police claiming that a large number of seamen on steamers plying between Japan, Korea and Manchuria are concerned in the narcotic smuggling.

Shansi Authorities Execute General Who Manufactured Heroin Pills

The Shansi authorities continue to take strong action against manufacturers and vendors of narcotics, and executions are fairly frequent. Gen. Chin, a former divisional commander under Gen. Sun Tien-ying who was living in retirement at Chin Tzu, the temple famous for its spring some fifteen miles south-west of Taiyuanfu, was recently arrested on a charge of manufactured heroin mills in Chincheng, south-west Shansi, during his stay there a year or more ago as garrison commander, and by a process of intimidation and forced deliveries through the posts, compelled people to purchase supplies of the drug. He was treated as a common criminal, and taken through the city in the usual procession on May 23, and executed just outside the new South Gate within a month of his arrest in Shihchiachuang.

Drastic measures are being taken by the Nanking Municipal Government to prohibit the secret sale of narcotics—such as "white powder," pink pills, etc.—by waiters ar hotels, tea-houses, and public bath-houses. Three waiters, found guilty of the crime have been arrested and executed by the Gendarmerie Headquarters.

China's Pilotage Regulations Discussed in House of Commons

Sir John Simon, British Foreign Secretary, stated in reply to questions in the House of Commons June 25, that owing to the Chinese Government drawing up provisional pilotage regulations intending to supersede those codified in 1868, Sir Alexander Cadogan, the British Minister to China, had made representations to the Chinese Government, pointing out that the matter also interested the foreign Powers and that the new provisional regulations were not satisfactory. However as the incident is still being discussed between the British Minister and the Chinese Foreign Ministry, he was unable at present to say any more.

"Shuntien" Pirates Prove to Be Harassed Smugglers

Following a series of bombing raids carried out by British naval planes from the plane carrier *Eagle* stationed in North China waters, of which intimation was first given by the planes dropping leaflets containing warnings in the English and Chinese language the seven British captives and also the one Japanese captive were released by the pirates who descended upon the British coast steamer *Shuntien*. The piracy occurred on the morning of June 16. Their release was effected late on June 20. Among those released at that time was one Chinese captive, Shen Tien-ling, who was minister of the interior in the Peking government of Marshal Wu Pei-fu.

The pirates had simplified the release by following a suggestion dropped from the British planes that the captives should be placed on separate sampans. Chinese and Japanese warships assisted the British in the operations against the pirates.

Mr. Yamamoto arrived in Tientsin June 23 in an automobile hired with the $60 given to him by his captors. He denied that he carried demands from the pirates regarding conditions for the release of the Chinese captives.

The so-called pirates as it turns out, are in ordinary times engaged in the more peaceful pursuit of smuggling. Gen. Han Fu-chu's troops have been tightening up on them of late and according to reports, the smugglers decided to stage a piracy as a lever to make trouble for the Chinese Government. Direct action by the British government, however, partly thwarted their plan.

The Japanese military *Information Service* at Tientsin in its account of the piracy and its genesis, stresses the fact that Mr. Yamamoto, the Japanese captive is not now connected with the Japanese military service, having completed his service two years ago. The Japanese story attributes the huge smuggling into China as due to the excessive Chinese import duties. The total amount of goods smuggled through or near Tientsin is estimated to be between $30,000,000 and $40,000,000 annually and from 800 to 1000 are engaged in this smuggling traffic sailing around the Gulf of Chihli, and their activities are increasing. The general sufferers are the Chinese Maritime Customs, but the Chinese and foreign shipping firms and traders including many Japanese, are also severely hit by this smuggling.

The Japanese service June 21 quoted Dr. H. H. Kung as stating that the establishment of Chinese customs houses on the line along the Great Wall has already been decided upon, as it is quite natural to do so, as it is China's own internal affair. Since China lost the North Eastern provinces the Chinese custom office in Dairen joined Manchukuo and this caused China a loss of revenue from that port. Furthermore a large quantity of goods which were imported through Dairen, which is a free port, have been entering North China through smuggling channels and as a result prices in Tientsin, for example, are reported to be much cheaper than in other districts, probably two-thirds less.

General Han Fu-chu Issues Ultimatum

The pirates were given an ultimatum end of last week by General Han Fu-chu, chairman of the Shantung Provincial Government to surrender. The pirates, General Han declared in his telegraphic orders to the Magistrate of Chuanhua "apparently are educated as they have freed the foreign captives." General Han in a lengthy report to Nanking authorities concerning the piracy said most of the pirates are former soldiers under General Liu Cheng-nien whom he ousted from Chefoo in 1932 in a civil war which followed the Shanghai Sino-Japanese hostilities. Some of them stated to the British captives that they were members of the Chinese labor corps sent to France during the Great War.

In a ministerial order to the various Customs authorities, the Ministry of Finance June 21 instructed that strict vigilance be exercised against evasion of the Customs Duties, Salt Gabelle or Consolidated Taxes, which constitute the main sources of income of the Central Government. Special awards should be given to those Customs officers, whose energetic efforts in the detection or prevention of smuggling lead to increase of the national revenue, the order adds.

According to a message from General Han Fu-chu, as a result of the cordon thrown by the Chinese land, naval and air forces, the pirates are surrounded on all sides. With all outlets blocked, their capture will not be difficult.

To ensure safety for travellers, General Han emphasizes, strong forces will in future be stationed at Chefoo for defense purposes, besides the addition of gunboats to patrol the coast. In this connection it is learnt that General Chiang Kai-shek has sent a message of commendation to General Han for his unremitting efforts.

What's The Matter Mummy?

And you reassure the little one by saying, "Mummy's all right dear, run away and play"—But, Mummy is not all right!

There is a reason for those sudden spells of dizziness, for those too frequent headaches; they are the direct result of that malady which assails so many women—Anaemia.

If you have reason to suspect that you are suffering from thin, impoverished blood, you should take immediate steps to correct the trouble, for on the condition of the blood the whole state of your health depends.

For building up the blood there is no finer remedy than Dr. Williams' Pink Pills, which have been proved by medical tests to increase the number of red blood corpuscles and the haemoglobin content, that substance which carries oxygen from the lungs and nutriment from the digestive organs to every innermost cell of all the organs and tissues of the body.

Begin a course of Dr. Williams' Pink Pills today and you will be pleasantly surprised at the increase in your strength and vitality after a few doses; those dizzy attacks vanish, headaches become a thing of the past, healthy colour floods hitherto pallid cheeks, lustre brightens the eyes, you feel happy and well. Chemists everywhere sell Dr. Williams' Pink Pills.

CUSTOMS NOTIFICATION NO. 1371

The public is hereby notified that, in accordance with Government instructions, the collection of the 5% revenue surtax at present in force will be continued until the 30th June, 1935.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 23rd June, 1934.

Eurasia Plane Completes Round Trip to Ninghsia

The Eurasia Aviation Corporation, last week extended the company's Shanghai-Lanchow airline to Ninghsia, capital city of Ninghsia province in the Northwest, by an initial flight of a plane which left Shanghai June 20. The plane returned from its trip to Shanghai without incident June 23 after having covered the regular stops on the route, including Lanchow, Sian, Loyang and Nanking.

The only Ninghsia-bound passenger on the initial flight was Chow Shih-kwei, resident representative in Nanking of the Ninghsia provincial government. Mr. Chow boarded the plane at Sian Wednesday morning when the plane continued its way westward. But no Ninghsia passenger came to Shanghai on the return trip.

Two New Airfields for Southern Hunan

General Ho Chien, Chairman of Hunan, acting on orders from General Chiang Kai-shek has ordered that two spacious airfields be built immediately at Hengchow and Pingchow in southern Hunan. The cost for the construction of each airfield is placed at $300,000, which is to be borne equally by the various districts in southern Hunan. Work on both fields began on June 15 and will be completed within a month.

The *Chao Jan Pao* (Hongkong) says Canton is not leaving one stone unturned for the development of a strong air defence force. Aside from giving rigid training to anti-aircraft gun corps, the authorities have placed an order for a large number of additional anti-aircraft guns from abroad. The new consignment is expected to arrive in Canton within three months.

According to a notification received by the Nanking Ministry of Foreign Affairs from the British Legation, a squadron of British airplanes will pay a visit to Canton shortly. The Ministry is requested to inform the military authorities concerned.

During the period from December 21 to the end of May, a total of $28,349 contributed towards the "Airplane Fund" was collected in the province of Kiangsu, according to an announcement of the Kiangsu Provincial Government.

Shanghai-Kobe Airplane Service Under Consideration

The Chinese Ministry of Communications is considering a Japanese proposal for inauguration of airmail and passenger service between Shanghai and Kobe, according to the *China Times*, prominent Chinese daily newspaper in Shanghai.

A non-stop formation flight from Oppama, near Tokyo, to Saipan Island, one of Japan's mandated isles in the Pacific, a distance of 1,300 miles, will be made by five or six naval seaplanes about the end of July, the Tokyo Navy Ministry announced June 24.

The *Osaka Mainichi* of June 18 gives details of the remarkable progress which has been made in communication and traffic facilities in Manchuria during the new regime. During the old militarist regime the Osaka journal says, not a single passenger plane flew over Manchuria, but now air routes cover even the farthest corners of Manchukuo. It was in September 1932 that the Manchuria Air Transport Company, Ltd. was established, with headquarters in Mukden. Business was started on September 26, 1932, when the company's passenger planes made flights from Mukden to Sinkiang. Since that time air routes have increased so remarkably that now more than 20 planes are used to ply along the 12 air routes with a total length of about 6,000 kilometres. Airdromes are situated in Mukden, Shingishu, Dairen, Sinkiang, Harbin, Tsitsihar, Hailar, Manchuli, Kirin, Tunkwa, Pohanchen, Lungchen, Takeiho, Laha, Han, Chiamussu, Fuchin, Hsinchang, Hsiaochengtzu, Shuichuli, Wuchang, Lalinchen, Chinchow, Chaoyang, Lingyuan, Chihfeng, Weichang, and Jehol City. This company has connections with the Japan Air Transport Company, Ltd., so that the transport of passengers, freights, and mails from Sinkiang to Tokyo and vice versa are carried on between themselves. According to the business return for the latter half of 1933 beginning June and ending October, 7,889 passengers freight to an aggregate weight of 9,919 kilograms and mails with, a total weight of 1,579 kilogram were carried.

Regular Air Line Between Nagoya and Totama to Be Inaugurated

Nagoya, one of the six big cities in Japan, and Toyama, a city situated on the coast of the Japan Sea, will be connected by air on July 2, when a regular air service will be inaugurated by the Nagoya Aviation School at Obatagahara, in a suburb of Nagoya. For the time being, four 230 horse-power airplanes will fly between the two cities five times a month.

Japan's Air Forces to Be Expanded

The Tokyo *Jiji* says that the Japanese military authorities have a big air force expansion plan in contemplation. At first, says the Tokyo paper, the Japanese army attached special importance to scouting machines, but since about 1928 bombing machines have been claiming their special attention. In 1931, they laid down a scheme to create three additional air regiments, but the retrenchment policy interfered with its realization. Japan's total air strength consists of only eight regiments at present, which offers a very poor contrast with the air strength of other Powers. Details of the plan are yet to be worked out, but it is expected that the scheme will involve heavy expenditure. Genera Hayashi is quoted by the *Jiji* as saying that in the present international situation, the increase of the Japanese air force is indispensable. As an ideal, he would like to have the present air strength expanded several times over, but the state of national finance does not allow of such an expansion. The Minister said that he believes the only way to maintain peace is to strengthen national defence so as to help the smooth conduct of the country's foreign policy.

Two Japanese Army Fliers Killed While Flying at Night

Two army sergeants, Masao Taira and Hannai Niida, of the Third Company of the Third Aviation Regiment at Yookaichi, were instantly killed on the night of June 12 while engaged in the practice of night flying. The plane crashed due to engine trouble.

Because of the scarcity of aviatrices in Japan, the Asia Aviation School in Susaki has newly established a special course for women. A number of students of the fair sex in the new class had a celebration party at the school ground recently .

The giant Soviet airplane *Maxim Gorky* made its first flight over Moscow June 19, closing the ranks of military airplanes during the aerial parade in honor of the "Cheliuskiners." While on their way from Vladivostok to Moscow, the fliers who participated in the rescue of the "Cheliuskiners" sent a letter to Stalin, saying: "Flying over the Soviet country we, better than anybody else, are able to see the historic changes which have entirely altered the face of our land. Small private strips of land have been replaced everywhere by large fields of the collective farms. Enormous new construction sites have become landmarks helping us to direct our flight."

Large scale measures to unify Soviet Russian aviation were taken last week through a reorganization of air administration. All former cartels and trusts have been abolished and twelve district administrations substituted which are to supervise all forms of air traffic. The chiefs of the district administrations are subordinated to the chairman of civil air fleet.

Daily air serivce has been opened on the Soviet airline Alma-Ata—Frunze—Chimkent—Tashkent, 815 kilometres long.

The private plane in which W. C. Bullitt, U. S. Ambassador to Russia, was travelling June 24 toppled over after a forced landing Mr. Bullitt was unhur to.

U. S. Army Air Corps to Fly to Alaska

The U. S. Army Air Corps will stage a mass flight from Washington to Nome, Alaska, early in July, the War Departmentannounced June 21. Ten giant Martin bombers, manned by 20 officers and 10 enlisted men, will make the long flight to the United States' far northern possession. A factor in the decision to make the flight, it is understood, was the desire to make a gesture of goodwill to Canada by visiting a number of Canadian cities.

James R. Wedell, one of America'smost famous speed aces, was killed at Patterson, La., June 24, when a plane in which he was nstructing a pupil crashed. The pupil was seriously injured.

An aircraft that will fold its wings and travel along highways was described in Seattle recently by its creator, John W. Miller, associate professor of Aeronautical Engineering at the University of Washington, as the possible forerunner of a combined motor-car and airplane. Telescopic wings are aerdynamically feasible, he said, as only mechanical construction details prevent their use today.

Every airplane carrying more than 2,000 kilograms will be required to be fitted with wireless as the result of a proposal adopted by the International Air Navigation Committee at its annual meeting held in Lisbon June 3.

A speed of 240 miles an hour is claimed for a German plane, seating 40 passengers and crew, which was demonstrated to British air exports at Croydon, England, June 19. The plane has a single engine of 630 horse-power.

The Croydon-Karachi (India) Imperial airways weekly service has hitherto been extended only to Delhi, Calcutta and Rangoon in the easterly direction, and Bombay and Madras in the southerly direction. A regular air service between Bombay and Calcutta, a distance of over 1,000 miles will, it is expected, shortly be an accomplished fact, if Tata Sons Ltd. obtain the necessary permission from the government of India.

Eric Watt Bonar, co-pilot, and Colonel Fitzmaurice, both of whom will compete in the London to Melbourne air race next autumn, started on a flight to Singapore from London June 19, to survey the airdromes en route, and to complete refuelling arrangements.

A study of the military aviation situation in the world to-day reveals that the present strength is 36 times greater than that existing prior to the World War. The leading military aviation countries are the United States, France, Russia, Japan, Italy and Great Britain.

More than 100 sporting planes have arrived in Berlin, June 22 to participate in the biggest German air competition, the flight over Germany. The event will consist of several round flights, Berlin being always the start and goal of each. No individual fliers are lalowed to enter, attention being concentrated on team flights.

Who's Who in China

Pei-yuang Hsu, Government Official; born in Lanchi, Chekiang, January 1, 1902; graduated from the Middle School of Hangchow Christian College, 1922; graduated from the Preparatory School of Southeastern University, 1923; graduated from the College of Commerce of Southeastern University, 1926; teacher in Ningpo Commerce School, 1926; Editor-in-Chief of Hangchow *Ming Kuo Daily News*, 1929; Chief Secretary of Chekiang Provincial Headquarters of Kuomintang, Spring, 1928; Secretary of Kwangtung and Kwangsi Geological Survey Society and concurrently editor of *Canton Ming Kuo Daily News*, 1928; secretary in the Ministry of Communications, 1929; sent to the United States by Kuomintang Central Executive Committee to pursue advanced study, and took research courses in Graduate Schools of Chicago University and Universities of Illinois and California, 1930-33; Assistant General Manager of China Electric Company and concurrently member of Planning Committee of the Publicity Committee of C.E.C., 1933; Deputy Director General of Postal Remittances and Savings Banks, and concurrently member of Purchasing Commission of Ministry of Communications, and the the Planning Committee of Publicity Committee of C.E.C., 1934; Address: Directorate-General of Postal and Savings Banks, Ministry of Communications, Nanking.

Pei-yuan Hsu (Hsu Pei-yuan)

徐 柏 園

徐柏園，浙江蘭谿縣人，一九零二年生，現年三十二歲。民國十一年卒業杭州之江大學附屬中學，十二年卒業國立東南大學預科，十五年卒業東南上海商科。十五年秋季任甯波商業學校主任教員，十六年夏任杭州民國日報館主筆。十七年春任浙江省黨務指導委員會書記長，十七年秋任兩廣地質調查所秘書，兼廣州民國日報主筆，十八年春任交通部秘書兼公報處主任。十九年春由中央黨部派遣赴美留學，先後在芝加哥，意利諾，加利福尼各大學研究院研究，並兼中央宣傳委員會特派駐美宣傳員。二十二年春回國，任交通部中國電氣公司副經理，兼中央宣傳委員會設計委員。二十三年春任交通部郵政儲金匯業總局副局長，兼交通部材料委員會委員，中央宣傳委員會設計委員。

National Christian Council to Remain in Shanghai

A recent Peiping report that the National Christian Council of China would move from Shanghai to Peiping was denied by Rev. Charles L. Boynton of the Council's secretariat in a letter to the Shanghai newspapers last week. He stated that the National Christian Council would remain as for the past 10 years in its own headquarters at No. 169 Yuen Ming Yuen Road, Shanghai. Confusion had doubtless arisen from the fact that Dr. Cheng ching-yi, who was for many years General Secretary of the National Christian Council, is now the General Secretary of General Assembly of the Church of Christ in China, which is removing its headquarters from Shanghai to Peiping.

"The Seaboard Route to the North"

Travel on The

Peping-Liaoning Line

Starting at Peping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passsing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Choser (Korean) and Imperial Japanese Government Railways. At Peping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Men and Events

Sir Alexander Cadogan, British Minister to China, proceeded to Weihaiwei this week where he will spend the summer.

The law governing the organization of Savings Banks was revised and adopted by the Legislative Yuan June 22.

June 25 and 26 were the hottest June days in Shanghai in 60 years. The temperature in the shade in the Central District passed the hundred mark.

Grieved at his dismissal by the Hupeh Provincial Govenment, Chu Kung-ming, District Magistrate of Kienli, southern Hupeh, committed suicide at his office June 9.

Le Ming-yau, a delegate of the motion picture division of the Ministry of Industry, recently arrived in Los Angeles to study the movie industry at first hand for several weeks.

Regulations governing the opening of special classes for the training of boy scout officers during the summer vacation have been announced by the Ministry of Education at Nanking.

Lieutenant-Col. H. Kriebel, close friend of Herr Adolf Hitler and newly appointed as German Consul-General in Shanghai, arrived in Shanghai during the week and assumed his duties.

Mei Lan-fang, famous Chinese actor, and his company proceeded to Kaifeng during the week to give theatrical performances to raise funds for the relief of the flood refugees in Honan province.

B. L. Falconer, foreign correspondent of the Washington *Star*, departed for Manila from Shanghai June 23, after spending two weeks in Shanghai in the course of a round-the-world tour on Dollar Line boats.

The Pan-Pacific Association of Shanghai will hold a garden party at the Wusih club, 580 Hungjao Road, Saturday, June 30 from 4 to 7 p.m. Music will be furnished by the U.S. Fourth Marines Band.

According to a report received by the Central Agricultural Experimental Station, a locust pest is threatening the farms in the suburbs of the capital. Three technical experts have been despatched to destroy the insects.

A National Conference is scheduled to open in Nanking on September 1 under the auspices of the Ministry of Communications. A National Telegraph Conference will be convened in the capital during the same month.

Commander Thomas M. Shock, the new American Naval Attache, stationed in Peiping, was in Shanghai for two days last week and was the guest of Lieut. James M. McHugh, chief of the Marine Intelligence Department.

Dr. Ting Ven-kiang (V. K. Ting), the scientic expert, has taken up his new duties as Secretary-General of the Academia Sinica in Nanking in succession to Yang Chien, who was assassinated in Shanghai last year.

Miss Paula Burton, aged 23 years, an American, and Miss Albertina Haley, aged 20 years, a Nicaraguan, were brought before the Police Count at Hongkong recently and ordered expelled owing to the fact that they had entered the Colony without valid passports.

The shareholders of Millington, Ltd., Shanghai printers, at an extraordinary meeting June 25 voted to reduce the paid-up capital by $329,230.77. A loss of $165,414.25 occurred last year. It was stated, however, that at present the printing plant is working night and day.

David Drummond, son of Sir Eric Drummond, British Ambassador to Italy and former secretary-general of the League of Nations, who is private secretary to Gene Monet, advisor to the China National Eoonomic Council, departed from Shanghai last week enroute to Europe.

The examination for marine officers and engineers, which was originally scheduled to be held on June 27, will be postponed to the end of this year. A circular order has accordingly been issued by the Ministry of Communications to the various Navigation Bureaus and shipping companies.

J. Soriano and D. Marcelly were fined 800 frances each by the French Consular Court June 20 on gambling charges arising from a police raid on June 9 in an apartment in 204 Seymour Road. Paraphernalia seized was ordered destroyed, and $200 taken in the raid will be held to apply on the fines.

Father Wibano Martin, an American Domenican Mission priest from New Orleans, was murdered at Sampuao, in Fukien, recently. The murder is ascribed to Communists. The Mission also reports that hope has been abandoned for the life of Father Bravo, who was captured by Fukien Communists on January 25 this year.

T. E. Rowe, formerly chief clerk in the Yokohama office of the Dollar Steamship Lines, has been transferred to the Honolulu office as passenger agent. F. Arndt, who has been relieving Mr. Rowe temporarily, will take up his duties as chief clerk in the Hongkong office.

Plans of Abbot Chao Kung, who recently returned to Shanghai to visit the Purple Mountain in Nanking, are frowned upon by Chinese police authorities. The Nanking police authorities view the activities of Chao Kung with deep suspicion and should the Abbot visit the Nanking region his movements will be closely watched.

Erection of a brass statue of the late Party Leader, Dr. Sun Yat-sen, at Sinkaikow in the Capital was derided upon at a meeting of the Nanking City Party Headquarters June 21. A Committee will be organized and efforts made to raise $20,000 within one month for the construction expenses. The statue is to be completed before the end of the year.

By an order of General Chiang Kai-shek, the work of turning Kinhwa and Peishan, two districts along the Hangchow-Kiangshan Railway on the Chekiang-Kiangsi border, into summer resorts is being pushed forward. A highway linking up the two districts is being built by convicts from the prisons under the Chekiang Provincial High Court.

The Electric Service Corporation, Federal Inc., U.S.A. was placed in receivership by a formal order issued by Judge Milton J. Helmick in the U. S. Court for China June 25 at the instance of creditors of the concern. The Shanghai Commercial & Savings Bank is principal creditor, which recently obtained judgment against the corporation for an amount of $22,000. G. F. Richardson, lawyer with the American Asiatic Underwriters, was appointed receiver.

The dead body of Miss Hsu Wei-chuan, a young nurse at Ginling college, was found on a lawn near the foot of Wu Tai-shan June 19, under circumstances indicating that she had been criminally assaulted and then murdered. The first report of the medical examiner that she had been poisoned was controverted by an autopsy held June 23 by the Public Health Bureau.

The annual dinner of the American University Club was held at the American Club June 22 with some 50 Chinese and American members present. Dr. Y. S. Tsao, retiring president, took the chair at the business meeting. Officers elected for the ensuing year are: President, Dr. Esson M. Gale; Vice President, Dr. J. Usang Ly; Secretary, J. B. Lee; Treasurer, Bruce M. Smith.

The Executive Yuan has revised and adopted the provisional rules for the discarding of extravagant practices in connection with the social duties of public officials such as marriages, funerals, birthday celebrations, and banquets. The rules were jointly submitted by General Huang Shao-hsiung, Minister of Interior, and the Ministers and Chairmen of Committees under the Executive Yuan.

Tan Chen, Vice-President of the Judicial Yuan and Kuo Chung-tao, Vice-Minister of Industries of the Chinese Government, are now visiting Paris. In the presence of a large group of leading members of the Chinese community in the French capital June 21 Mr. Tan gave a lecture on Chinese Government legislation, while Mr. Kuo spoke on the plans of industrial development of China.

Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance, departed from Nanking for Peiping by rail on June 23 accompanied by Madame Kung and their children, Jabin Hsu, Director of General Affairs Department of the Ministry of Finance, and several secretaries. Dr. Kung is making a tour of inspection of the financial administration in North China.

The Society of Chinese Residents of Australia has written *The Review* stating that Gock Young, who recently arrived in China from Australia, is traveling in a personal capacity and not as an official representative of the Society. A previous report which appeared in *The Review* stated that Mr. Young was the official representative of the organization. The letter from the Society stated that it is purely a patriotic organization and does not have power to send out official or trade representatives.

Dr. George B. Cressey, formerly Professor of Geology at the University of Shanghai and now Chairman of the Department of Geology and Geography at Syracuse University, arrived in Shanghai last week. He has received an appropriation from the National Research Council of Washington to enable him to undertake a series of detailed geographic field studies which are expected to throw light on some of China's underlying agricultural and economic problems. Dr. Cressey will remain in Shanghai for a month before proceeding to Hongkong and North China.

Lau Fat Leong, known in business circles as L. Ah Leong, wealthy Chinese merchant, died at his home in Honolulu May 19, at the age of 78. He had been a resident of the islands for 55 years, coming to Hawaii in 1879 from his native village of Chung Yuen, Ka Yin district, China. During this time he amassed a large fortune in business and real estate transactions. He is survived by has widow, Ho Ah Keeu, 10 sons, six daughters and 65 grandchildren. Members of the family pointed out that before the present illness that culminated in his death, Ah Leong had never been sick in his life. He had never missed a day's work at his office.

The Rev. E. W. Luccock, pastor of Community Church, with Mrs. Luccock and family will sail July 7 by the *President Lincoln* for a year's study in Union Theological Seminary in New York City. During the year Mr. Luccock will do a great deal of traveling, studying city churches in various parts of America. They will return in the early summer of 1935. During their absence the Rev. P. R. Gillett, D. D. will act as pastor and director of religious education. With his family he will arrive the last week in August. Dr. Gillett will be assisted in his pulpit ministry by Gordon Poteat of Shanghai College.

The seventh annual commencement exercises of National Central University were held in Nanking June 2. A total of 443 students, 52 being women, received diplomas. In the course of a stirring speech, President Wang Ching-wei recalled the Shameen Incident in 1925, in which "your fellow students—the patriots and revolutionaries of yesterday—were shot and killed by Imperialists." Speeches were also delivered by Teng Chia-yen, representative of the National Government, Kan Naikang, representative of Central Party Headquarters, Dr. Wang Shih-chieh, Minister of Education, and Shao Yuanchung, member of the C. E. C.

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Shanghai's Nearest Summer Resorts Declared Fortified Areas

Chapu and Kanpu on Hangchow Bay have recently been designated as a "fortified zone" by the General Staff Department of the Central Government. Sight-seers will not be allowed to approach that area. Omnibuses of the Shanghai-Hangchow Highway, which pass through Chapu, will have to change their course in accordance with the order of the General Staff Department. Chapu and Kanpu have recently been developed as summer resorts, where large numbers of both Chinese and foreigners have congregated. Chapu has been recently developed by foreigners, principally by the Automobile Club. Chinese interests, including various banks and hotels, and the China Travel Service, are developing what is said to be a much superior place some distance further down the Bay.

The attractions of Chapu are stressed by Carl Crow, in the May issue of *China Highways*, the organ of the Automobile Club of China.

Japanese Naval Squad Takes S. M. P. British Sergeant into Custody

As a result of a Chinese prostitute accosting two Japanese sailors on Chapoo road on the night of June 27, another incident occurred between the Shanghai Municipal Police and the Japanese Naval authorities in Shanghai. Following a fight between the Chinese woman and the Japanese sailors—first Chinese members of the Municipal Police, and then Sergeant Bellamy, British, tried to take the three to the station for questioning. Instead a Japanese naval patrol came along and took Sergeant Bellamy into custody. He was released six hours later, after a conference between Commissioner Gerard and the Japanese Naval authorities

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"Good Earth" Filming Party Departs for the United States

The Metro-Goldwyn-Mayer party which has been engaged in the making of a film version of Pearl Buck's famous novel, "The Good Earth," after working in various parts of China for several months, sailed for the United States last week.

The party consists of the director of the film, Frank M. Messenger, and Mrs. Messenger; C. G. Clarke, chief cameraman, and Mrs. Clarke; H. M. Smith, business manager; H. C. Smith, camerameraman; F. Barnes, technician; R. Cully, cameraman; and J. Miller technician, James Lee, technician; and Mrs. Ochs business representative. A official will join the party in Hollywood where the filming of "The Good Earth" is be completed.

Despite frequent reports to the effect that the Nanking authorities had obstructed the filming of Mrs. Buck's novel, Mr. Messenger declared that his company had received fullest cooperation from the Chinese government and that their work here would come fully up to expectations.

Philippines to Create a National Army

Plans are tentatively being formulated at Manila under the scrutiny of the Governor-General Murphy, for the creation of a national Army for the Philippines in anticipation of independence, which may total some 50,000 men when independence is achieved some ten years hence. The plan contemplates using the Philippine Constabulary, a national police unit of 4,800 men, and the Philippine Scouts, a branch of the United States Army dating back to the insurrection, numbering some 7,000, as the nucleus for the future Philippine Army.

In the United States Court for China

In re.	Cause No. 3692
Estate of EDWARD H. DUNNING Deceased	Estate No. 980
	NOTICE
	Filed at Shanghai, China, June 6 1934
	William T. Collins, Clerk.

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of EDWARD H. DUNNING, deceased, to present the same with vouchers to the undersigned on or before December 8, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

STIRLING FESSENDEN,
Municipal Building,
Shanghai.

Shanghai, China,
June 6, 1934.

In the United States Court for China

HAROLD CUSTER MacLELLAN Plaintiff,	Cause No. 3677
	Civil No. 1672
	ORDER
vs.	Filed at Shanghai, China. June 7, 1934.
EVELYN DORRIS MacLELLAN Defendant.	WILLIAM T. COLLINS Clerk.
	L. T. Kenake, Asst. clerk.

The object of this suit is an application for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 12th day of May, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 12th day of May, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 12th day of May, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not reside in China, and that defendant's last known address was 3460 East 7th Street, Los Angeles, California, U.S.A.

NOW, THEREFORE, it is this 7th day of June, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW", a paper of general circulation most likely to reach the defendant.

It IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 30th day of June, 1934, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 7th day of June, 1934.

MILTON J. HELMICK
Judge.

New Books of Interest in the Far East

A Russian Analyzes the Soviet Doctrine

The End of Our Time, by Nicholas Berdyaev, translated by Donald Atwater; Sheed and Ward, Inc., New York, 1933. 258 *pages.*

The author gives us four chapters on the End of Our Time, followed by an essay of some fifty pages on the "General Line" of Soviet Philosophy. He shows himself to be opposed to Soviet doctrines and rule.

The style of the book is Spenglerian. We found the first chapter, entitled The End of the Renaissance, difficult reading. The other chapters were easier and the concluding essay was easiest of all. Whether this was because of a gradually growing understanding of the author and his vocabulary or because the first chapters are more abstruse, we are not entirely sure. Certainly both author and translator have not been blessed with great clarity of expression. We were obliged to read and re-read many sentences before we could discover their meaning and there is considerable use of awkward words and phrases. "Interiorly" is a favorite word; "exterior" and "interior" appear too often. Several words were entirely new to us and a few were not even to be found in the dictionary, though we enlarged our vocabulary by the addition of "hylo-zoism" and "bambination"!

The gist of the book is summarized in these sentences taken from its four chapters:—"In the present century, the apex of the humanist era, European man stands amid a frightening emptiness. He no longer knows where the key-stone of his life may be found; beneath his feet he feels no depth of solidity. He gives himself up to a surface existence and lives in two dimensions as if he occupied exactly the surface of the earth, ignorant of what is above him and what below . . . . It looks as if beauty were breaking up and dying, as if the free creativeness of man will be henceforth impossible, as if his free individuality has reached its term. . . . . There is a rhythm in history as there is in nature, a measured succession of ages and periods, alternation of diverse types of culture, ebb and flow, rise and fall. Such periodicity and rhythm are proper to all life."

Professor Berdyaev's basic idea is thus shown to be a belief in spiritual values. He feels that the end has come to the uplift possible to be received from materialism and narrow theology. "When it seems that everything is over and finished, when the earth crumbles away under our feet as it does today, when there is niether hope nor illusion, when we can see all things naked and undecieving, then is the acceptable time for a religious quickening in the world."

The essay on Soviet Philosophy contains the same central theme. Lenin goes beyond Marx in intolerance and Soviet Communism is committed to militant atheism, disregarding man's freedom of will or choice. Now in Russia "God may be spoken of in church during service-time, but apart from that no one is permitted to refer to him. Strictly speaking, all non-materialists, non-Marxists, free philosophers, all men with spiritual desires, belong to the category of priests-in-trousers (as we would designate "laymen" rather than members of the clergy); it is a prodigious large category, every idealist or spiritual philosopher belongs to it. Einstein is a priest-in-trousers. . . . For all that it has a certain truth in it, Communism is the utter limit of social idolatry; it is consistent with itself and affirms the absolute supremacy of society over man, over individuals, over their souls. Communists stake their all on the outward social warfare and stifle all anxiety about the meaning of personal life and the destiny of a human being face to face with Eternity. Their philosophy, slave to the passing hour, never contemplates the problems of suffering and death, the meaning of that which was and is not, eternity."

May 10, 1933. G. B. S.

Sympathetic Picture of President Roosevelt

The American Way, by Earle Looker; The John Day Company, New York, 1934. 382 *pages.*

The sub-title of this book is "Franklin Roosevelt in Action." The book, while actually beginning with events since Roosevelt's inauguration as President of the United States, reverts briefly to his boyhood, education, political experiences and friendships. It is a sympathetic picture of President Roosevelt in all his contacts and activities.

Earle Looker began in 1931 to investigate the physical condition of Franklin D. Roosevelt, which had misled some and was being questioned by many. With the presidential campaign looming in 1932 Roosevelt's health and physical fitness became important in the minds of his party and friends. Looker's story of Roosevelt's struggle against the infantile paralysis handicap is inspiring, and shows that the President has been able to surmount the difficulties in such a way that his physical lack in no way hinders his performance of multitudinous and varied duties. "He seems to have a great reserve of strength. Perhaps the most eloquent lay comment upon Roosevelt's physical condition was made by Ex-Governor Alfred E. Smith in 1928, before Roosevelt's nomination for Governor of the Sate of New York. Some of the Democratic politicians said to Smith: "We can't have a cripple for Governor, can we?" "What do you want," Al retorted, "an acrobat"?

Roosevelt's plan of action as shown in his handling of domestic and international affairs is traced down to the end of 1933. Looker says, "Washington had been revitalized by the new administration. . . . Within the first sixty days of Roosevelt's control, the Government had entirely changed its futile point of view. The change was so evident and the action of the new Administration seemed so astonishingly logical that an altogether unusual public reaction took place. It was not artificially created. Real bitterness against the old regime flared up. The Democratic Party was too busy, now, adjusting itself to govern, to direct more than a few paragraphs of the old-fashioned propaganda toward its opponents. . . . By October, America seemed definitely on the road to recovery—even with all of the difficulty with labor and the resistance on the part of some industries fighting to the last ditch in greed and selfishness. Roosevelt's proposal was slowly, perhaps haltingly, being achieved. A new spirit now arose in the constructive questioning of the methods by which Roosevelt was attempting to accelerate recovery. The general public was catching up with a stage of the Roosevelt state of mind of some months before. This was a totally new thing in mass thought in America . . . . It was not the time to be selfish. The selfish figures of finance and industry had cut their own throats. . . . . The majority of the leaders of the world now looked to the American experiment with a hope for its success hardly less fervent than our own. All other plans had failed, with them as well as with us. Roosevelt would be justified in using his powers to the limit."

The whole volume is a glorification of Franklin D. Roosevelt and "his" way, into which he has been busily turning the way of the United States of America. If you wish to call it Democratic propaganda it is open to that designation. It is entirely a Roosevelt book, committed to the N.R.A. and all the plans set up and pursued by the present Administration.

May 20, 1934. G. B. S.

America as a German Sees It

The American Adventure, by M. J. Bonn, translated by Mabel Brailsford; The John Day Company, New York, 1934. 318 *pages with index.*

The German edition of this book came out in 1930, the English in 1933. This edition for Americans, though a translation, has apparently been worked over more recently. Professor Bonn is an economist who has had long residence in America and yet writes from Europe.

His observations on American people and institutions remind us of Siegfried though we consider Professor Bonn's insight as more penetrating than that of the other author. There are some statements in this book which seem contradictory, a few seem far-fetched, an amazing number express American traits, foibles and failings in peculiarly apt language. Indeed, we cannot help but notice the excellent phrasing throughout this book. On almost every page such wording is to be found. It does a great deal to hold interest and to make the few inaccuracies in statistical information less apparent to a casual reader.

Our author takes us through the pioneering stage of American adventure to the modern era of the N.R.A. One of his most interesting chapters is that entitled "The Puritan Twilight." Professor Bonn's conclusion is that "the result of different evolutionary tendencies has been the eclipse of hell. . . . The decisive event in the spiritual life of America in the last twenty years has been the eclipse of hell. . . . The stupendous educational effort of Puritanism is spent."

The tone of this volume is not that of criticism, but rather one of critical appreciation. Although Americans have earnestly sought the Almighty Dollar, the wealthy have spent freely in charitable, philanthropic and cultural establishments. American life is not as sordid as many would have us believe. "Here (in America) the patronage of art flourishes on a very large scale . . . . It has been no unusual thing for English business men or German manufacturers to return to the public some part of the wealth extracted from it. These gifts or endowments have often been much more modest than those which pour from the purses of American benefactors, and it would be difficult to prove that they spring from more praiseworthy motives. For the benefactors were often rewarded by a peerage or by a highly resounding title or a glittering decoration. The American philanthropist has to do without such outward acknowledgments of his princely generosity."

The author's final conclusion is that the American task has been mighty, the adventure is proving its worth in new visions. "It is a superhuman task to set up and organize the economic mechanism of a nation so that no one suffers hunger and want, and so that every member of the nation has an increasing share in the pleasures of life: so that individuals are nowhere kept in a state of perpetual dependence by economic poverty, and so that the nation is not split into two warring classes by division into the Haves and the Have-nots. It matters less whether America has reached this goal than whether the will of the American people is consciously directed towards it, and whether a certain probability exists that it may ultimately

be reached. Nobody can deny the presence of such earnest effort or the movement towards the goal. . . . After all, life, the art of living on the North American continent, is only beginning."

May 7, 1934. G.S.B.

A Survey of the Soviet Union

The United States and the Soviet Union. A report on the controlling factors in the relations between the United States and the Soviet Union. New York. 1933. 280 *pages.*

This report, which was prepared by the American Foundation's Committee on Russian-American Relations, was first published on Nov. 1, 1933, only a few weeks before the Washington Government actually did extend full diplomatic recognition to the U.S.S.R. Its purpose was to elicit and make available all possible information on the controlling factors in the then and until that date existing relations between the U.S.A. and the Soviet Union as well as between the latter and other states in order that American citizens might form a fair understanding of what was involved in an eventual recognition of Moscow.

Apart from this special purpose the Report is, however, and remains a valuable collection of material for the historian, the politician, and the diplomat, as it reveals how in numerous typical instances underground influences have been at work with the aim of misleading public opinion, government officials and financial circles against a foreign state and nation. Inasmuch as many of the specific cases cited, thoroughly scrutinized and cleared up by the Report, are symptomatic of what often happens in the game of politics, international as well as domestic all over the world, the Report may well be recommended for a close study to all concerned in or affected by that dangerous game.

Readers in the Far East will, besides, find in the Report a chapter on America's participation in the Siberian Intervention which in some important respects was a forerunner of what has been going on in Northern Manchuria during the past two and a half years.

J. P. T.

Mohammedans Raid Tientsin Bookstores

Three bookstores in the Ta Hutung business center in Tientsin were raided June 19 by a band of 400 Mohammedans, the raid, resulting in the total destruction of these shops and the injuring of several employees. The trouble was caused by the selling of books by these stores in which Mohammedans were attacked. The Tientsin Mohammedan community regarded it as an insult so they started to wreck the stores. When the raid was over six Mohammedans went to the Public Safety Bureau and offered themselves for punishment. The loss on the part of the book stores is estimated to exceed $3,000.

Sir John Simon Enthusiastic Regarding China Art Shows

In an interview in London June 14 Quo Tai-chi, Chinese Minister to Great Britain, declared that Sir John Simon, Secretary of State for Foreign Affairs, was enthusiastic at the proposed exhibition of Chinese art which, he added would be welcomed by both Chinese and British circles. He said, however, that there were many preliminaries to arrange, and he expected that the exhibition would be definitely held in 1936. The exhibition will be held at Burlington House.

Dean Williams Give Views on World Journalism After Six Months Tour

Dr. Walter Williams, president of the University of Missouri and former dean of its school of journalism, who has the unique distinction of being a college president, but never having attended college himself, recently landed at Los Angeles after a six-months world tour. In an interview he discussed, among other things, journalism in Germany, where he described the newspapers as being "regimented." The day following an interview with officials in Berlin, he said, his statements appeared alike in all newspapers, obviously standardized and pruned to meet official views. "As a newspaperman, such treatment aroused my resentment," Dr. Williams said. "It was much the same as if some press agent had made what is called a 'hand out' to newspapers in this country." Speaking of journalism throughout the world in general, Dr. Williams said:—"Public opinion is better informed now upon the question of journalism than ever before. It is not so much that there has been a change in the attitude of governments toward the press, but that the public conception of newspapers has been marvelously improved. The press has become increasingly powerful, and the public has come to appreciate it as such, thereby resenting any effort on the part of governments to lay a restraining hand upon the freedom of discussion and news." An encouraging opposition to the growth of nationalism can be noticed in all countries, particularly among commercial and industrial interests, was one of Dr. Williams' observations. The efforts of munitions interests to control and influence public opinion is almost incomprehensible, he remarked. Fearless publicity of such conditions was urged as a possible remedy.

In the United States Court for China

EDWARD HOWARD FORD, Plaintiff,
vs.
SADIE CAROLINE FORD, Defendant.

Cause No. 3686
Civil No. 1681
ORDER
Filed at Shanghai, China, June 7, 1934.
WILLIAM T. COLLINS Clerk.
L. T. Kenake, Asst. clerk.

The object of this suit is an action for the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS, plaintiff herein, by his attorneys, has this 2d day of June, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 2d day of June, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of May, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein at any time during the past year prior to this date, and that defendant's last known address was 1106 West 39th Street, Vancouver, Washington, United States of America.

NOW, THEREFORE, it is this 7th day of June, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW," a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 30th day of June, 1934, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 7th day of June, 1934.

MILTON J. HELMICK
Judge.

In the United States Court for China

CARL E. HICKS, Plaintiff,
vs.
EDNA L. HICKS, Defendant.

Cause No. 3688
Civil No. 1683
ORDER
Filed at Shanghai, China, June 7th, 1934.
WILLIAM T. COLLINS Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorneys, has this 29th day of May, 1934, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 29th day of May, 1934, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 28th day of May, 1934, Carl E. Hicks, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last year previous to the 29th day of May, 1934;

NOW THEREFORE, it is this 7th day of June 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 30th day of June, 1934, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT.

MILTON J. HELMICK
Judge.

Text of Dr. L. Rajchman's Report on League Co-operation with China

(Continued from last week)

14.—The observation of facts relating to rivers and the collection of hydrological data essential for the planning of co-ordinated policy is considered to be on an unsatisfactory basis. Data are collected by the River Commission, the Provincial River Bureaux and Reconstruction Bureax, and by special institutions such as the Customs Marine Department, the Academia Sinica, the Observatory of Ziccawei, the Hydrographical Department of the Ministry of Navy, the Survey Bureau of the Ministry of War, and the hydraulic faculties of universities. As many of these institutions use different instruments and methods of calculation, their results are of mediocre value. Nevertheless, for hydraulic work information regarding climate, meteorology, watercourses, nature of soils, etc., is essential. The proposed irrigation work for the North-West is, for example, seriously hampered because no data has been collected in the past showing the need for water of different crops in the soil of that district. The technical staff of the National Economic Council Secretariat is accordingly working out a plan for the co-ordination and supervision of research work with a view to rendering it useful for the guidance of practical policy.

15.—The technical staff of the Secretariat, in drawing up its project for work, has also felt the need for a laboratory for the conducting of tests. It is understood that a portion of the Dutch Boxer Indemnity Fund will be available for the building of such a laboratory, which, it is estimated, will cost less than Chinese $400,000. The laboratory will conduct the following studies:—

(*a*) Relations between current and velocities and silt deposits.

(*b*) Character of the different sediments.

(*c*) Most suitable cross-sections of dykes; seepage through dykes.

(*d*) The most suitable types of spur dykes or other training works in rivers, with special attention to the so-called permeable construction in rivers with high silt percentage.

(*e*) Protection of dyke surfaces.

(*f*) The roughness co-efficient in the most important Chinese rivers.

16.—In the original plan for collaboration between the Chinese Government and the Transit Section of the League mention was made of the establishment of a station for the field training of engineers, but this plan has not materialized.

CHAPTER VI.—ROADS

1.—During the last five years road construction by provincial governments has increased in pace considerably. It was part of the general movement for modernization which has swept over the whole country since 1925. It was realized that a system of communications was indispensable for ensuring security, administrative order, and political unity. Within each province it would render easier the business of local government, bring greater cohesion, and help economic development by providing facilities for the passage of persons and goods. Modern means of communication are indeed still very few. There are not more than 13,000 kilometres of railways in China, as compared with 77,000 kilometres in the U.S.S.R., 32,000 kilometres in British India, and 400,000 kilometres in the U.S.A. This absence of railways is not compensated by a system of roads. Although there had once been a fairly good system of courier highways, these had been allowed, during the Manchu Dynasty, to fall into disrepair.* Roads in rural China represent a net of small, picturesquely-winding and narrow footpaths, and since the greatest part of transport is by donkey, wheelbarrow, or the human back, these paths had been sufficient during centuries of Chinese history.

2.—When road building began, construction was spontaneous, either by provincial governments or by military commanders; and as the programmes were not co-ordinated, they were in many cases wasteful. No Ministry had exercised responsibility for roads, and thus the National Economic Council at its inception was led to organize a Roads Bureau. Its policy has been to co-operate with the provincial governments and with private interests in order to stimulate, control, and guide their activities by the grant of loans for roads, the construction of which was considered desirable. The selection between the various systems of highways lies in the hands of the National Government, and is dictated by considerations of general policy and the interests defence. Consequently, a plan was drawn up in 1932 for a system of highways, first for the three provinces of Kiangsu, Chekiang and Anhwei, and later in the year for these, together with the bordering provinces of Hupeh, Honan, Hunan and Kiangsi. The Roads Bureau prescribes the location, quality and kind of roads to be built, and in selected cases grants loans at low rates of interest to cover about 32%—in some cases more—of the building costs, placing at the disposal of the provincial authorities its advice and expert engineers. This policy resulted in a considerable acceleration in the process of construction, the roads built during the last two years with the help of the National Economic Council amounting to about 4,000 kilometres.

It will be seen that in many cases it was sufficient to construct short links between already existing systems in order to open up new territories, and as a result of their comparatively modest construction cost a connected system of more than 12,000 kilometres has been brought into existence. The following table shows the length of road now open in each of the provinces:—

Province	*Kilometres*
Kiangsu	2,416
Chekiang	1,602
Anhwei	2,092
Kiangsi	2,224
Hupeh	1,833
Hunan	1,398
Honan	2,111
Total	13,676

The average cost has been only a little over Mex.$6,000 per kilometre. The total amount of loans extended by the National Economic Council to the provinces for road construction from May 1931 to April 1934 has been $3,962,000.

3.—It may not be out of place to repeat that the provinces did not need any persuasion to follow an active policy of road building, of which the National Economic Council has no monopoly. The following table shows the length of existing roads in each of the provinces in 1933:—

TABLE SHOWING THE LENGTH OF EXISTING HIGHWAYS IN CHINA

BUREAU OF ROADS, NATIONAL ECONOMIC COUNCIL OF CHINA

Province	*Length of Roads Open to Traffic in Kms.*
Kiangsu	2,416
Chekiang	1,602
Anhwei	2,092
Kiangsi	2,224
Hupeh	1,833
Hunan	1,398
Szechuen	3,980†
Siking	575†
Fukien	2,449
Kwangtung	10,700*
Kwangsi	3,896
Kweichow	1,165
Yunnan	1,344†
Hopeh	1,951
Shantung	6,885
Shansi	2,025
Honan	2,111
Shensi	1,169
Kansu	637
Chinghai	1,173
Liaoning	2,420†
Kirin	2,125†
Heilungkiang	1,970†
Jehol	2,330
Suiyuan	478
Ninghsia	2,550†
Chahar	3,757
Outer Mongolia	3,176
Sinkiang	1,325†
Tibet	—
Grand Total	71,756

*From "Kwangtung Reconstruction Monthly Special Issue on Highways."

†From "Chinese Economic Journal," August and September 1933.

‡Roads built in five provinces 1931-3:—

Kwangtung	4,183	Kms.
Shantung	3,693	,,
Kwangsi	1,326	,,
Fukien	1,062	,,
Hopeh	646	,,

Not too much reliance can be placed on the data from which this table is compiled.

(To be continued)

*The National Good Roads Association estimates that in the whole of China in 1927 there was a little less than 30,000 kilometres of roadway. This is probably a considerable over-estimate, as along many of the roads it would not have been possible to drive a car.

Shanghai City Chinese Chamber Urges Suppression of I. S. S.

Suppression of the activities of the International Savings Society was urged by the Shanghai City Chamber of Commerce in a petition to the Ministry of Finance last week. As measures for curbing the business of the International Savings Society, the petition recommends:

(1). That deputies be despatched to investigate the accounts of the Society.

(2). That Chinese bond-holders be advised to transfer their deposits from the Society to Chinese banks.

(3). That a black list be made of any new Chinese members (bond-holders) of the Society.

In conclusion, the petition recalls that the organization of such savings societies by Chinese interests has been officially prohibited by the Government. Though the International Savings Society is organized by foreigners who enjoy extra-territorial privileges in this country, the Government may also intervene so long as the majority of the depositors are Chinese, the Chamber said.

Legislative Yuan Member Describes "Clever Methods" of I. S. S.

With reference to the law governing the organization of Savings Banks adopted by the Legislative Yuan June 22 Dr. Ma Yin-chu, member of the Legislative Yuan and one of the authors of the new law, in a recent lengthy statement pointed out that the deposits of the International Savings Society alone have reached the staggering figure of $65 millions, and its bondholders total about 400,000 persons, the majority of whom are Chinese. Whereas severe restrictions are to be imposed on Savings Banks according to the new Savings Banking Law,—such as the provision that members of the Boards of Directors and Supervisors of such banks are to bear unlimited individual liability in case of bankruptcy—is it not therefore logical that such so-called savings societies as the International Savings Society and L'Epargne Franco-Chinoise, which are established by foreigners, should receive similar attention from the Government?, Dr. Ma asks. Dr. Ma also observes that in view of the "clever methods" employed by these so-called Savings Societies in pushing their business, their activities are in violation of the canons of the New Life Movement, which requires observance of the virtues of propriety, righteousness, integrity and honor. The business of these societies, however, smacks of gambling, he pointed out.

Royal Asiatic Society in Shanghai on Verge of Bankruptcy

The annual meeting of the Royal Asiatic Society (North China Branch) was held in Shanghai, June 21, attended (according to the *Shanghai Times*) by "a discouragingly small number of members." A positive declaration was made by the Secretary, R. S. Heaney, that the Society was bankrupt, and had been since the moment of signing the contract for the new building in Museum Road. They faced, he said—unless immediate steps were taken to pay off the $60,000 building loan—a recurring annual deficit or liquidation. Mr. Heaney's bleak pronouncement was opposed by A. de C. Sowerby in a ringing plea to members for action in the form of a public drive for funds to begin not later than October 1. No Society, declared Mr. Sowerby, could be called bankrupt when it owned a building and contents worth $350,000. Something could be done, he declared, if members would allow him a free hand in a drive and guarantee him their full support.

Nine Chinese Girls Commit Suicide as Protest Against Marriages

Because they were all dissatisfied with their marriages, nine girls, seven of them cousins, tied themselves up together and jumped into the river on the night of June 21 outside the North Gate of Huaian. Some of the girls were already married; others were betrothed under the customary go-between-system. The youngest of them all was aged thirteen, the oldest nineteen. The suicides created a sensation at Huaian and the authorities are making investigations into the case, a message in the *Shun Pao* stated.

Increasing Demand for Chinese Goods in Kalgan

Communication of the Kalgan-Urga highway has been completely restored, according to a recent message from Kalgan. With the assistance of the Chahar provincial authorities, the merchants in Kalgan have already dispatched five large consignments of Chinese goods to Outer Mongolia via the highway. In view of the increasing demand for Chinese products there, a large-scale trading company is now being organized at Kalgan for the purpose of trading with the Outer Mongolians.

CUSTOMS NOTIFICATION NO. 1372

The public is hereby notified that in accordance with Government instructions junks trading with Manchuria will not be permitted in future to proceed direct to, or discharge cargo at, places at which there are no Customs establishments. The rules prescribed for junks trading with foreign countries are therefore *provisionally* applied to the junk trade with Manchuria, and all such junks are to be re-registered in due course in accordance with the Regulations for the Control of Sea-going Junks.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 26th June, 1934.

SUPPRESSING COMMUNIST-BANDITRY IN CHINA

Edited by Tang Leang-li

Deals with the origin of the Communist movement and contains chapters on the period of toleration, proscription, military campaign against Communist-bandits, foreign communist activities, the communist organization, connection with the labor movement, land policy of the Government and a foreign missionary's impressions. Also an appendix containing text of anti-communist law, program of political and economic rehabilitation, etc., etc.

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Arrest Made of One of Dr. Ingram's Murderers

Seven bandits were involved in the murder of Dr. J. H. Ingram of the American Board Mission, according to the confession of a Chinese known as Ho Shang, who was arrested June 20 by the Wangping authorities. He was arrested in the home of a villager. Detectives and police are now hot on the trail of the remaining six members of the gang and are confident that all of them will be apprehended within the next few days.

C. V. Starr Sees Keen Competition for United States from Asia

China and Japan will ultimately provide the United States with keen economic competition, C. V. Starr, Shanghai business man, declared in an interview in Los Angeles June 23.

"While America probably need not look for immediate military trouble in Asia, economic competition from both Japan and China will ultimately assume increasingly formidable proportions," Mr. Starr stated. Mr. Starr said he agreed with the view of Roy Howard, Chairman of the Board of Directors of the Scripps-Howard Newspapers, who made an extended survey trip throughout the Orient last year, that the United States will have no trouble with Japan if the American Navy and Air Force is strong enough to command Japanese respect.

Keeping Well In The Heat

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The National City Bank of New York, Rates of Exchange

Shanghai, June 30, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 2.95
Demand buying rate on America:	U.S.$100=Sh. $ 2.92
Demand selling rate on London:	£1.0.0=Sh. $14.94
Demand rate buying on London:	£1.0.0=Sh. $14.77

Latest New York Stock Exchange Quotations

Market—Firm — Business Done 620,000 Shares

June 27, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. June 25	Tue. June 26
13¾	3	—	Adams Express	8⅝	8½
33	11⅛	0.60	Alaska Juneau	19½	20⅝
160	70⅝	6.00	Allied Chemical & Dye	136½	137
107⅛	19½	4.00	American Can	96⅝	98
19⅝	5⅞	—	American & Foreign Power	8⅛	8½
27½	3¼	—	American Metal Company	21⅞	22
53½	10⅝	—	American Smelting	41⅜	42½
134⅝	86½	9.00	American Tel. & Tel.	113⅝	114
94⅝	50⅝	5.00	American Tobacco "B"	74⅝	77½
43¼	10⅞	1.00	American Waterworks	19½	20¼
22⅞	5	—	Anaconda Copper	14⅝	15
18⅝	5⅞	—	Atlas Corporation	10½	10½
84¼	31	2.00	Auburn Automobiles	24⅝	24⅝
37⅝	8¼	—	Baltimore & Ohio	23¼	24
49½	10⅝	—	Bethlehem Steel	32	34½
37⅝	18	1.60	Borden Company	25⅝	26⅝
28½	5½	0.25	Borg Warner	22⅞	23½
20⅞	7¼	—	Canadian Pacific Railway	14⅞	15
103½	30½	—	Case, J. I.	49⅝	50⅝
47⅞	16⅝	1.40	Chase National Bank	26	26
52½	14⅞	2.50	Chesapeake Corporation	46	Unq.
59	7⅝	1.00	Chrysler Corporation	38⅞	40⅝
28½	9	0.50	Columbia Gas & Electric	13½	14
6½	1⅜	—	Commonwealth & Southern	2⅛	2⅛
64⅛	34⅜	3.00	Consolidated Gas of N. Y.	33⅛	34
22½	4⅞	—	Continental Oil	19⅛	19⅝
9	2⅝	—	Coty Inc.	5⅝	5⅞
5⅛	1½	—	Curtiss Wright Company	3¼	3⅛
103⅞	32½	*2.00	Du Pont de Nemours	88½	90
100⅝	46	3.00	Eastman Kodak	97½	99
41⅝	10	—	Electric Bond & Share	15½	15⅝
15⅝	3⅛	—	Electric Power & Light	5⅝	5⅞
19	12	—	Fox Film "A"	13½	13⅝
10⅝	2⅞	—	General Aviation	Unq.	Unq.
30¼	10½	0.40	General Electric	19½	20¼
39⅞	21	1.50	General Foods	32	32
42	10	*1.00	General Motors	30½	31⅝
49½	13¼	1.00	General Railway Signal	31½	32½
27⅝	12	1.20	Gold Dust	19⅝	19⅝
47½	9¼	—	Goodyear Tire & Rubber	27½	28¼
40	6½	—	International Cement	25½	25½
46⅛	13⅝	0.60	International Harvester	32¼	33
29	6⅝	—	International Nickel	25¼	25⅞
21¾	5½	—	International Tel. & Tel.	12⅝	13⅛
66⅝	21¼	—	Johns Manville	52	53
26	7⅜	—	Kennecott	20⅝	21½
79⅝	37½	2.40	Lehman Corporation	66	66½
99⅝	49¼	*4.00	Liggett & Myers "B"	95½	97½
36½	8¼	1.00	Loew's Inc.	29¼	29⅝
25¼	10⅜	1.20	Lorillard P. (Com.)	18⅛	18½
35⅝	8⅝	—	Montgomery Ward	26⅝	28¼
64½	16⅞	1.00	National City Banks (bid price)	26	27
41⅝	5⅝	—	National Distiller	23⅝	24¼
58½	14	—	New York Central	29	30⅛
36½	12⅝	3%S	North American	16⅞	17⅝
96⅝	31½	2.00	Owens Illionois Glass	Unq.	76½
31⅞	15	1.00	Pacific Gas & Electric	18⅝	19⅝
6⅞	1⅝	—	Packard Motors	3⅝	3⅝
42½	13⅝	0.50	Pennsylvania Railroad	30¼	31
6⅝	1½	—	Pennroad Corporation	2⅝	2½
20⅝	4⅝	—	Phillips Petroleum	17½	17½
12¼	3	—	Radio Corporation	7⅜	7½
54¾	26½	3.00	Reynolds Tobacco "B"	45½	48½
51¼	12⅛	—	Sears Roebuck	41⅝	42⅝
19½	6	1.00	Socony-Vacuum Corporation	15⅝	16⅛
28	14¼	2.00	Southern California Edison	16½	16⅝
22½	5⅛	—	Standard Gas & Electric	11	11½
50¾	22⅝	1.00	Standard Oil Co. of N. J.	43½	44
61⅝	45⅝	3.80	Sterling Products	60⅝	59½
9	1½	—	Studebaker	4½	4⅝
30½	10⅝	1.00	Texas Corporation	23⅝	23⅞
9⅝	2⅝	0.12	Transamerica	6½	6⅝
51⅞	19⅝	1.00	Union Carbide & Carbon	41½	42½
138⅞	61¼	6.00	UnionPacific	122	123¼
46⅞	16½	—	United Aircraft & Trans.	18¼	18⅝
14¾	4½	—	United Corporation	5⅛	5⅜
25	13⅞	1.20	United Gas Improvement	16⅛	16½
25	2⅞	—	U. S. Rubber	18⅛	18⅝
67½	22⅝	—	U. S. Steel	38½	40
51½	21½	*2.00	Universal Leaf Tobacco	Unq.	47½
31⅝	7⅝	—	Vanadium	21¼	21⅝ ?
9¼	1	—	Warner Bros. Pictures	5¼	5½
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80	35	6.00	American Waterworks $6 preferred	Unq.	Unq.
48½	25	5.50	Cities Service Power & Light 5½s/52	44⅝	45½
66	25	6.00	Electric Bond & Share $6 preferred	Unq.	51
69¾	18	4.50	Int. Tel. & Tel. conv.4½s of 1939	67½	67
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91½	35	6.00	Standard Gas & Elec. 6% notes 1935	92	92

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